Daily Report

Latin America

FBIS-LAT-91-004
Monday
7 January 1991

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FBIS-LAT-91-004 *7 January 1991*

CONTENTS

NOTICE TO READERS: As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Soviets Send Anniversary Messages to Castro *[Havana TV]* 1
Citizens in Iraq Send Message to Castro *[Havana TV]* 1
Melendez Comments on CEMA Reorganization *[Havana TV]* 1
Provincial Assembly Process Begins *[Havana TV]* 1
Escalona Welcomes Venezuelan State Governor *[Havana TV]* 1

Haiti

Lafontant Seizes Power in Coup *[Madrid EFE]* 1
No Report on Coup Casualties, Aristide Whereabouts *[Bonaire Radio]* 2
Trouillot Reportedly Hostage of Military *[Bonaire Radio]* 2
Army Commander Condemns 'Mutiny' *[Paris Radio]* 2
Issues Communique, Asks for Calm *[AFP]* 2
Lafontant Says He Has Army's Support *[Paris Radio]* 2
Calls Elections 'Farce,' 'Insult' *[Madrid EFE]* 3
Says 'Not One Single Casualty' *[Paris Radio]* 3
Diplomat Reports Road Blocks, Shooting in Capital *[AFP]* 3
Situation Called 'Confusing' *[Havana TV]* 4
Head of Election Observer Team Condemns Coup *[CANA]* 4
1 Reported Dead in Anti-Lafontant Demonstrations *[AFP]* 5
Military Source Confirms Arrest of Lafontant *[AFP]* 5
Coup Ends; Lafontant Injured *[Paris Radio]* 5
Bishop Romelus Reacts to Archbishop's Statements *[Port-au-Prince Radio]* 5
Government Will Respect State Council Authority *[Port-au-Prince Radio]* 6

Trinidad and Tobago

Opposition Party Prepares To 'Face the Polls' *[CANA]* 6
Impact of Coup 'Relatively Small' on Economy *[CANA]* 6
Central Bank Tightens Credit Requirements *[CANA]* 7
State Attorneys Boycott Courts for Higher Pay *[CANA]* 7

CENTRAL AMERICA

El Salvador

Further on U.S. Helicopter Downing Incident 8
FMLN Issues Communique *[Radio Venceremos]* 8
Rebel Source Reaffirms FMLN Account *[Radio Venceremos]* 8
FMLN Commentary Blames U.S. *[Radio Farabundo Marti]* 9
Army Searches for FMLN Commanders *[EL MUNDO 4 Jan]* 9
FMLN Asks for UN Investigation *[AFP]* 10
Cristiani Condemns FMLN *[San Salvador Radio]* 10

Minister Predicts U.S. Policy Change *[Mexico City NOTIMEX]* 11
CODEFAM Accuses Army *[DIARIO LATINO 4 Jan]* 11
Rebels Allege Air Force Strafing *[Radio Venceremos]* 12
Archbishop: Crash Survivors Killed *[San Salvador Radio]* 12
Dreyfus Explains Missile Sale to Cristiani *[San Salvador Radio]* 12
Merino Implicates EPS Chief in Weapons Sale *[San Salvador TV]* 13
FMLN Issues Communique on Missiles *[Managua BARRICADA 5 Jan]* 14
Sandinists Said To Train FMLN Guerrillas *[LA PRENSA GRAFICA 4 Jan]* 14
Bomb Defused Near Armed Forces Staff Building *[Panama City ACAN]* 15

Guatemala

Presidential Runoff Election Results Reported *[Guatemala City Radio]* 15
Serrano Proclaims Victory *[ACAN]* 15
UCN Concedes Defeat *[Mexico City NOTIMEX]* 15
Coverage of Elections, Early Returns Reported 15
Polls Open; Long Lines Reported *[ACAN]* 15
Rebels Reportedly Threaten Voters *[ACAN]* 15
Voter Turnout 'Notoriously Small' *[ACAN]* 16
Voting Concludes in 'Apparent Calm' *[ACAN]* 16
Army Issues Communique on Runoff Elections *[Guatemala City Radio]* 16
Refutes Charges of Backing Candidates *[Mexico City NOTIMEX]* 17
Candidates Favor Dialogue With Guerrila Groups *[AFP]* 17
Army, Guerrilla Clashes, Deaths Reported *[SIGLO VEINTIUNO 3 Jan]* 18

Honduras

Armed Forces Commander Views Regional Strength *[Tegucigalpa Radio]* 18
Guatemalan President Meets With Callejas 4 Jan *[LA TRIBUNA 5 Jan]* 19

Nicaragua

Officers Give More Details on Weapons to FMLN *[Managua Radio]* 20
EPS Rejects Officers' Actions *[Managua Radio]* 20
D. Ortega Cites U.S. Pressure *[ACAN]* 21
Further on Internal, External Pressure *[ACAN]* 21
Foreign Minister Discusses Missile Shipment 22
Claims Sale Isolated Incident *[Managua Radio]* 22
Views Possible Firing of H. Ortega *[AFP]* 23
Comments on Return From El Salvador *[Managua Radio]* 24
Office Created To Check Ministry, Police Abuses *[LA PRENSA 3 Jan]* 25
Daniel Ortega To Meet Saddam Husayn in Iraq *[Mexico City NOTIMEX]* 25
Fourth Cuban Takes Asylum in Costa Rican Embassy *[ACAN]* 26

Panama

PRD Deputy Rodriguez Views 'Intelligence Work' *[LA ESTRELLA DE PANAMA 5 Jan]* 26
Commentary Supports New Intelligence Office *[EL DIARIO INDEPENDIENTE 3 Jan]* 26
PRD's Castillo Arrested Over Funds Dispute *[LA ESTRELLA DE PANAMA 5 Jan]* 27
Planning, Economic Minister Defends Position *[LA PRENSA 31 Dec]* 27

SOUTH AMERICA

Argentina

Ministries Disagree on Departure of Gulf Plane *[NOTICIAS ARGENTINAS]* 30
Menem Claims Falkland Islands 'Still Ours' *[TELAM]* 30
Joint Chilean Energy Exploration Project Planned *[TELAM]* 30
Dec, 1990 Cost of Living Figures Released *[TELAM]* 30
Menem Reacts to Story on Illegal Payment Request *[TELAM]* 31
Police Thwart Drug Network; Arrest Cartel Member *[Buenos Aires Radio]* 31
Firmenich, Suarez Mason May Face Legal Action *[LA PRENSA 4 Jan]* 31

Bolivia

Envoy Evaluates Economic Relations With U.S. *[La Paz TV]* 31
Political, Union Heads Reject Chilean Agreement *[Madrid EFE]* 32
Parties To Carry Out Joint Action in Congress *[PRESENCIA 23 Dec]* 32
Groups React to Government's Fuel Price Hike *[La Paz Radio]* 33
Information Ministry Restored; New Minister Named *[La Paz Radio]* 33

Brazil

2.7-Percent Drop in Industrial Activity Reported *[Brasilia Radio]* 33
National Treasury Records Surplus for 1990 *[Brasilia Radio]* 33
Prices of 200 Medicines Temporarily Frozen *[Brasilia Radio]* 34
* Second Round Seen as Anti-Collor Plebiscite *[ISTOE SENHOR 28 Nov]* 34

Chile

Foreign Minister Concerned Over Oil Shortage *[Santiago Radio]* 37
Seminar Examines Terrorism's Toll, Prospects *[Madrid EFE]* 37
Army Captain Admits Responsibility in Cutufa Case *[TELAM]* 38
Libedinsky Warned About Media Comments *[Santiago Radio]* 38
'Discomfort' Over Generals' Arrest *[Santiago Radio]* 38
Fake Bombs Planted at Three Newspaper Buildings *[Santiago TV]* 38

Colombia

Fuel Prices Increase by 22 Percent 1 Jan *[EL TIEMPO 2 Jan]* 38
Foreign Minister Unhappy With Klein Sentence *[Bogota TV]* 39

Paraguay

$130 Million Used To Stabilize Dollar Market *[ULTIMA HORA 3 Jan]* 39
Congressional Group Denounces Coup in Suriname *[ABC COLOR 5 Jan]* 39

Peru

President Fujimori Reshuffles Cabinet Members *[Madrid EFE]* 40
Three New Ministers Named *[Lima TV]* 40
Government Publishes, Notes Objections to Budget *[EL COMERCIO 1 Jan]* 40
National, Foreign Reserve Requirements Reduced *[EL COMERCIO 30 Dec]* 40
Members of 'Important Terrorist Cells' Arrested *[Lima TV]* 41
Political Violence Claims 13 Lives in 24 Hours *[Madrid EFE]* 41
Alleged Shining Path Members Kill 6 Policemen *[Madrid EFE]* 41
Government To Reorganize Aviation Corporation *[Lima TV]* 42
New Youth Newspaper Claims Largest Circulation *[Lima TV]* 42
Cuban Friendship Group Holds Solidarity Meeting *[Havana TV]* 42

Venezuela

Interior Ministry Denies Soviet Espionage *[AFP]* 42
Police Chiefs Report Drug Seizures for 1990 *[EL UNIVERSAL 26 Dec]* 42

Guyana

Government Tables Bill To Prolong Assembly *[CANA]* 43
Opposition Ends Election Talks With Ruling Party *[Bonaire Radio]* 43
Newspaper 'Unequivocally Condemns' Suriname Coup *[CANA]* 43

Cuba

Soviets Send Anniversary Messages to Castro

FL0401131091 Havana Tele Rebelde Network in Spanish 1200 GMT 4 Jan 91

[Text] On the occasion of the 32d anniversary of the triumph of the revolution, Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, has received messages from Soviet leaders.

Boris Yeltsin, president of the Supreme Soviet of the Russian Federation, states, among other things: We are in favor of maintaining relations with Cuba, making them closer, and seeking new forms of mutually advantageous cooperation.

V.F. Kebich, president of the Supreme Soviet of the Belorussian Republic, expresses himself in similar terms. In a letter addressed to Fidel, children affected by the Chernobyl accident receiving treatment in our country express thanks for the welcome they have been given in Cuba and their wishes for the Cuban revolution's success, and they confirm their message of solidarity with our country.

Citizens in Iraq Send Message to Castro

FL0501115491 Havana Tele Rebelde Network in Spanish 1450 GMT 5 Jan 91

[Text] A letter of revolutionary reaffirmation has been sent to our commander in chief, Fidel Castro, by the Cubans who are in Iraq. After stating their willingness to fulfill their duty and their commitment to the nation and to socialism anywhere in the world, the note states that they will continue to fulfill their responsibilities in Iraq.

The Cubans in Iraq expressed their gratitude to Fidel for his fraternal message, which was a new incentive for them all. The letter reads: We assure you that, as until now, we will be worthy of the trust placed in us by our party, government, people, and by you.

Melendez Comments on CEMA Reorganization

FL0501185591 Havana Tele Rebelde Network in Spanish 1800 GMT 5 Jan 91

[Text] Ernesto Melendez, the minister president of the Cuban State Committee for Economic Cooperation, today described the restructuring being contemplated for CEMA as a radical change in its principles of integration. In statements to PRENSA LATINA, the Cuban representative at the meeting of the CEMA executive committee, which is being held in Moscow, said that the reforms involve transforming multilateral ties into eminently commercial relations.

Melendez said that the new organization will be of an advisory and informational nature for the member countries. Based on this, it is assumed that the agreements and programs established during the 41 years of CEMA's existence will be revised. In his opinion, the most controversial point at the 134th meeting had to do with the need to consider the special characteristics of Cuba, Mongolia, and Vietnam when drawing up the final documents for the reform process.

In this regard, executive committee Chairman Bela Kadar stated that the specific characteristics of the less-developed nations will be taken into account in the new relations, which will be governed by the standards of international trade and bilateral agreements. Kadar, who is also the Hungarian minister of economic cooperation, said that he was satisfied with the results of the meeting and the signing of the documents to be presented at the 46th CEMA session scheduled for the end of February, which will be attended by the member countries' heads of state.

Provincial Assembly Process Begins

FL0501124591 Havana Tele Rebelde Network in Spanish 1200 GMT 5 Jan 91

[Text] The party reporting process in provincial assemblies will begin today in Isle of Youth Special Municipality. The schedule of assemblies will extend to the end of February and represents a new step in the preparations for the fourth congress of the Communist Party of Cuba. The measures adopted by each province to ensure fulfillment of the food plan and the implementation of the guidelines for the special period are among the major points to be discussed by the delegates to the assemblies. The next one will be held tomorrow in Granma Province.

Escalona Welcomes Venezuelan State Governor

FL0501020091 Havana Radio Reloj Network in Spanish 2040 GMT 4 Jan 91

[Text] Eduardo Morales Gil, the governor of Sucre state in Venezuela, was welcomed today in Havana by Juan Escalona Reguera, president of the National Assembly of the People's Government.

Morales Gil and Escalona Reguera held a friendly talk on Cuban-Venezuelan issues. They also exchanged views on international issues, particularly Latin American issues.

Haiti

Lafontant Seizes Power in Coup

PY0701102891 Madrid EFE in English 0739 GMT 7 Jan 91

[Text] Port-au-Prince, 7 Jan (EFE)—Roger Lafontant, the former head of Haiti's feared Tontons Macoutes militia under the deposed Duvalier family dictatorship,

seized power early on 7 January after a night of confrontation ended with the resignation of acting President Ertha Pascal Trouillot.

No Report on Coup Casualties, Aristide Whereabouts

FL0701125391 Bonaire Trans World Radio in English 1130 GMT 7 Jan 91

[Text] The Haitian military has apparently taken over the government in Port-au-Prince. Former Duvalierist Roger Lafontant has installed himself as the new president, [and] in doing so, has nullified the recent election; and interim President Ertha Pascal Trouillot, having stepped down, is now apparently a hostage of the new regime. Mr. Lafontant is the ex-chief of the Tontons Macoutes organization which was infamous during the rule of the Duvaliers.

There is no immediate word on casualties in the coup, neither is there any word on the whereabouts of Jean Bertrand Aristide, the elected president. Mr. Aristide was to have been sworn in on 7 February.

Mr. Lafontant returned to Haiti from exile in the neighboring Dominican Republic on 7 July, remaining at liberty in spite [of] a warrant for his arrest on a complaint of human rights abuses. The warrant was never served and immigration officials had ignored an order from the Haitian interior minister to bar Mr. Lafontant from entering the country.

Trouillot Reportedly Hostage of Military

FL0701121391 Bonaire Trans World Radio in English 1130 GMT 7 Jan 91

[Text] There has been a military coup in Haiti. In Port-au-Prince, Roger Lafontant has been installed as the new president. He was the one who was refused candidacy in the presidential election because he was the head of the security force known as the Tontons Macoutes who terrorized the nation under the Duvalier family.

He has nullified the recent election of Jean Bertrand Aristide and interim president, Ertha Pascal Trouillot, has apparently been taken hostage by the military. One witness who lives near the palace last night reported seeing men in a jeep, dressed in civilian clothing, shooting weapons and automatic rifles near the palace. This morning tanks are patrolling the streets.

After the election on 16 December of Jean Betrand Aristide, Mr. Lafontant declared he would do everything in his power to keep Mr. Aristide from taking over. He ran in the election, Mr. Aristide did, after being expelled from the Salesian Order who accused him of using his pulpit as a platform for politics and for promoting what it called a class struggle.

Today was supposed to have been election day in rural areas for Senate seats in the Haitian parliament.

Army Commander Condemns 'Mutiny'

LD0701104391 Paris Domestic Service in French 1000 GMT 7 Jan 91

[Text] General Herard Abraham, the commander in chief of Haiti's Army, has condemned the coup carried out last night by Dr. Lafontant, the former boss of the Tontons Macoutes. He will even take measures, as he said, to repress what he describes as a mutiny.

Issues Communique, Asks for Calm

PA0701125891 Paris AFP in Spanish 1231 GMT 7 Jan 91

[Text] Port au Prince, 7 Jan (AFP)—Haitian Armed Forces Commander in Chief Herard Abraham this morning issued a communique addressed to the people asking them to "remain calm" and to cooperate with "their" Army, which is adopting measures to quickly bring the country's situation back to normal.

The following is a text of the communique:

"The Haitian Armed Forces reports to the people that late on 6 January and early on 7 January, a group of rebels on Roger Lafontant's payroll, took Provisional President Ertha Pascal Trouillot hostage after forcing her to resign.

"The Armed Forces, loyal to their constitutional mission, condemn this act of terrorism and are immediately adopting measures to quickly bring the situation back to normal and with as little damage as possible.

"The military institution hereby urges the people to remain calm and to continue to cooperate with the Army for the sake of the fatherland and democracy."

Lafontant Says He Has Army's Support

LD0701115691 Paris Domestic Service in French 1100 GMT 7 Jan 91

[Interview with Roger Lafontant by Catherine Laurence; place and date not given]

[Text] The U.S. Department of State has condemned the coup d'etat of Roger Lafontant in Haiti, saying that he is detaining interim President Mrs. Ertha Pascal Trouillot as a hostage. This is not the version related by Roger Lafontant, the former boss of the Tontons Macoutes, who took over last night. Roger Lafontant was questioned by Catherine Laureace:

[Begin recording] [Lafontant] Nobody was hurt.

[Laurence] Did you force Mrs. Ertha Trouillot to resign?

[Lafontant] That did not happen, madam. Nobody forced her to resign. [laughs] Anyway, madam, she resigned and I am the provisional president.

[Laurence] What are you going to do now?

[Lafontant] What am I going to do now? Well, rule the country, pull the country out of this crisis and ensure that all Haitians (?enjoy their rights), not only those 28 percent who voted for Aristide in the mockery of an election on 16 December 1990.

[Laurence] General Abraham and the Army condemn your coup. Is the Army with you?

[Lafontant] The Army is here with me, however.

[Laurence] It seems that commanders of units are starting to meet with Gen Abraham to end the mutiny; the word mutiny has been used.

[Lafontant] Then we will kiss your (tutzita).

Calls Elections 'Farce,' 'Insult'

PA0701133791 Madrid EFE in Spanish 0946 GMT 7 Jan 91

[Text] Port-au-Prince, 7 Jan (EFE)—Roger Lafontant, the former minister of defense in the Jean Claude Duvalier regime who today seized power in Haiti, has stated that he is acting in association with the Armed Forces and described the recent presidential elections in Haiti as a farce.

Speaking on state television a few hours after having assumed control of the country, Lafontant charged that the 16 December elections had been a farce and an insult and stated that the big loser had been the Haitian people.

Lafontant, who returned to Haiti this past summer, following five years of exile in the Dominican Republic, said that he was assuming power in association with the Armed Forces and the police for the benefit of the fatherland.

An acknowledged member of the Tontons Macoutes from 1979 to 1980, Lafontant harshly criticized the Electoral Council for arrogantly having organized the 16 December election for which he could not run because his candidacy was invalid due to irregularities and for technical reasons.

The winner of the election, which according to all the international organizations that supervised them were the first free elections in Haiti since the 1950's, was Salesian Priest Jean Bertrand Aristide, a proponent of liberation theology and an advocate of the destitute who won by an absolute majority.

The whereabouts of Aristide is unknown. He was to be sworn in as president on 7 February.

Lafontant took power today following fierce armed clashes around the presidential palace. The clashes were followed by the resignation of Provisional President Ertha Pascal Trouillot.

Trouillot announced her resignation over the national radio. She explained that she was resigning because it was impossible for her to continue governing the country.

Says 'Not One Single Casualty'

LD0701135291 Paris Domestic Service in French 1200 GMT 7 Jan 91

[Interview with Roger Lafontant by Catherine Laurence; place and date not given]

[Excerpts] The very first item of news in this bulletin, and also the most recent, is the coup d'etat in Haiti last night. Ertha Pascal Trouillot, the interim president who was to hand over power to Father Jean-Bertrand Aristide in February following his overwhelming victory in last December's elections, resigned last night. It is Dr. Lafontant, the main neo-Duvalierist leader and former right-hand man of Jean-Claude Duvalier, who has seized power by force, apparently backed by part of the Army. [passage omitted] Roger Lafontant took power last night, apparently amid calm, rejecting the verdict of the polls, which for once had been greeted as being exemplary in Haiti. The first statement by Haiti's new strongman was made to Catherine Laurence of France Info:

[Begin recording] [Lafontant] I have become provisional president because Madame Ertha Trouillot, you see, has resigned because she can no longer cope; she has lost control of events in this country.

[Laurence] How did you take power? By force?

[Lafontant] If it was by force, madam, there would be casulaties. There is not one single casualty, Madam, and no one received as much as a scratch. [passage omitted] We are going to give all the sons of this country the chance to speak.

[Laurence] It seems that commanders of units are starting to meet with General Abraham to end the munity; the word mutiny has been used.

[Lafontant] We will see about that [words indistinct]. [end recording]

[Passage omitted] Demonstators shouting, "Long live Aristide, down with Lafontant" gathered just now, shortly before sunrise, in certain districts of the Haitian capital, Port-au-Prince. As for Father Aristide, he is safe. There is shooting and burning barricades in Port-au-Prince according to the French Embassy, but it is still night in Haiti, or rather it is the early hours of the morning.

Diplomat Reports Road Blocks, Shooting in Capital

PA0701131991 Paris AFP in Spanish 1228 GMT 7 Jan 90

[Text] Pointe-a-Pitre, Guadeloupe, 7 Jan (AFP)—A French diplomatic source in Haiti, who was interviewed

over the telephone from Pointe-a-Pitre, indicated today that road blocks erected with burning tires and rocks were seen in various populous neighborhoods in Port-au-Prince. The source stated that the road blocks have been erected specifically to prevent the circulation of vehicles driven by former Tontons Macoutes.

Scheaffer, first secretary of the French Embassy in Haiti, who was interviewed a little before 0500 (1000 GMT) in Port-au-Prince by RFO [Radiodiffusion Francaise d'Outre-Mer] in Guadeloupe said: "Port-au-Prince is becoming agitated" after the coup d'etat carried out by Roger Lafontant "and people are burning tires and throwing stones in the populous neighborhoods of the city, where they have erected road blocks to prevent the movement of vehicles of the former Tontons Macoutes."

Scheaffer stated that the vehicles of the former militia of the Duvalier regime "have started to circulate, carrying weapons" and that they had fired a few shots to intimidate the population. Scheaffer said that the situation in Port-au-Prince is uncertain this morning and added: "Everything will depend on the Army's ability to isolate the presidential palace and carry out its mission during the next few hours, perhaps to show the population that the Army is fulfilling its duty."

The diplomat asserted: "It seems that neither in the city nor in the rural areas are the people willing to let their election be stolen." However, Scheaffer said that he did not have any factual information on the situation.

Situation Called 'Confusing'

FL0701132191 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Jan 91

[Text] Roger Lafontant, the ex-defense minister during the Duvalier regime, proclaimed himself provisional president of Haiti before dawn today [words indisinct] presidential palace, the seat of government in Port-au-Prince, after several hours of armed clashes.

The latest reports state that the situation in Port-au-Prince is confusing. Military sources have reported that General Herard Abraham, the army commander in chief, and other high-ranking military officers, have condemed the coup. The same sources added that these military officers have decided to adopt measures to control what they described as a mutiny.

Up to now, there have been no reports about the armed clashes that took place nearby the presidential palace, which was surrounded by light armored vehicles and troops [words indistinct] about 10 km from Port-au-Prince.

In a television statement, Provisional President Ertha Pascal Trouillot admitted she had been forced to resign.

All international organizations had said that the 16 December elections in Haiti, which have now been described as a farce by coup leader Roger Lafontant—the former boss of the Tontons Macoutes—were the first truly free elections ever held in Haiti, the poorest Latin American country with 85 percent of its population below the poverty line.

Although sources close to Haitian President-elect Jean Betrand Aristide have asserted that he is safe at the French Embassy, other sources have reported that the 37-year-old priest has been arrested by the coupists.

Roger Lafontant, who it is asserted has taken over power, returned to Haiti in 1990 after five years of living in exile in the Dominican Republic. He returned to run for president, but his candidacy was annulled by the national election council in view of his participation in the Duvalier government and because he was the chief of the dreaded Tontons Macoutes paramilitary group.

Head of Election Observer Team Condemns Coup

FL0701151091 Bridgetown CANA in English 1439 GMT 7 Jan 91

[Text] Castries, St. Lucia, Jan 7, CANA—The head of St. Lucia's Roman Catholic Church, Archbishop Kelvin Felix, on Monday condemned the latest reported coup in the former French colony of Haiti. Archbishop Felix, who headed a Caribbean Conference of Churches (CCC) observer team to the December 16 elections in Port-au-Prince, said the coup staged by former Interior Minister Roger Lafontant was a setback to the aspirations of the Haitian people. Lafontant told a French radio station that interim President Ertha Pascal Trouillot had resigned and his coup had been bloodless.

Archbishop Felix termed the coup "an atrocious act.... which is certainly a cause for great concern for the people of Haiti and the world."

"We the members of the Caribbean Conference of Churches delegation who recently witnessed the elections, strongly condemn this action by Lafontant.... for thwarting the will of the vast majority of the Haitian people."

In the December national elections, Roman Catholic priest, Father Jean Bertrand Aristide won by a landslide. However Lafontant had vowed that the 37 year-old priest would not assume the presidency.

Archbishop Felix said that the CCC was "expressing its solidarity and its unflinching support to the Haitian people, that they may continue steadfast in their determination to establish democracy in that country."

"We know that their resilience is guaranteed even in the face of such setbacks and disappointments," he said, urging that the legitimate government be "restored without causing unnecessary harm and hurt to the Haitian populace."

1 Reported Dead in Anti-Lafontant Demonstrations

PA0701154691 Paris AFP in Spanish 1440 GMT 7 Jan 91

[Text] Port-au-Prince, 7 Jan (AFP)—Eyewitnesses have told AFP that one person has died and two youths were injured in the first popular demonstrations against the neo-Duvalierist Roger Lafontant, who seized power this morning in Haiti, in Port-au-Prince.

Sources said that an alleged Lafontant supporter was killed after a tire was placed around his neck and set on fire.

Meanwhile, two youths who expressed their discontent together with hundreds others in front of the URN (National Reconciliation Union - neo-Duvalierist) headquarters were injured by a grenade launched from the interior of the building.

Thousands of young demonstrators, including some armed with iron bars, took to the streets of the poor neighborhoods of Port-au-Prince to mobilize against Roger Lafontant's neo-Duvalierists, who are still holding President Ertha Pascal Troillot hostage at the National Palace.

According to various sources, several homes of supporters of Lafontant, former leader of the "Tontons Macoutes," have been burned down.

In Petionville, in the outskirts of the capital, the house of Serge Beaulieu, director of Radio Liberte (neo-Duvalierist) was looted by the demonstrators.

Firemen have apparently controlled most of the fires.

Only one radio station, Radio Lumiere, was able to broadcast today, given the difficulties with transportation. Radio Lumiere this morning aired a communique by General Herard Abraham, commander-in-chief of the Haitian Armed Forces, in which he asked the population to "keep calm."

There were also demonstrations against the neo-Duvalierists in other cities around the country.

Military Source Confirms Arrest of Lafontant

PA0701153391 Paris AFP in Spanish 1523 GMT 7 Jan 90

[Text] Port-Au-Prince, 7 Jan (AFP)—A military source has confirmed that the Haitian Army arrested Roger Lafontant at 1000 [1500 GMT] today, Monday, 7 January.

Lafontant, former right-hand man of Jean-Claude Duvalier, left the presidential palace, his hands in the air. Lafontant was taken to an unknown destination.

Coup Ends; Lafontant Injured

LD0701162791 Paris Domestic Service in French 1600 GMT 7 Jan 91

[Text] The Haiti Army has put an end to the coup attempt by Roger Lafontant, who is considerd as the head of the Tontons Macoutes of the former Duvalier regime. According to diplomats and witnesses, Roger Lafontant has been arrested by soldiers and seems to have been injured during a shooting battle lasting about half an hour between his supporters and soldiers of the presidential palace. The news of the Army's intervention has been greeted by demonstrations of joy by supporters of Father Aristide, who was elected to the post of president in December and who is due to take up his duties on 7 February, honoring the authority of the State Council.

Bishop Romelus Reacts to Archbishop's Statements

FL0401211591 Port-au-Prince Radio Metropole in French 1145 GMT 4 Jan 91

[Text] Haitian citizens, do not be afraid. Fear engenders fear, and the dictatorships are based on fear. It was with this sentence, now historical, that Port-au-Prince Archbishop Francois Wolf Ligonde began his homily during a religious ceremony at the Port-au-Prince Cathedral on 1 January.

Monseigneur Ligonde also quoted President-elect Father Jean-Bertrand Aristide when he said: The uprooting will come. He exhorted his diocesans to pray. In a city, a country, where fear and anxiety are carried within the heart—fear of thieves, fear of attacks, and fear of uprootings to come—we cannot help fearing what the future might hold.

The remarks of the Port-au-Prince archbishop have been opposed by Monseigneur Willy Romelus, the Jeremie bishop who holds the opposite view. In an interview with the Haitian Press Agency [AHP], Romelus said that he feels Father Jean-Bertrand Aristide's election has given birth to hope in Haiti. Contrary to Archbishop Ligonde's point of view, Jeremie Bishop Willy Romelus does not foresee a trend toward the establishment of an authoritarian or a socio-Bolshevik government in Haiti.

The Jeremie bishop feels that the statements made by the Port-au-Prince archbishop, as reported to him, do nothing to strengthen the Catholic hierarchy or the Episcopal Conference. In his interview with AHP, Monseigneur Romelus said that with good advisors, he believes Aristide will be able to help the country get out of its abyss. The bishop does not expect thefts or assassinations to be committed under Jean-Bertrand Aristide's government as was the case under previous regimes. According to Romelus, the behavior and the statements of the elected president present him rather as somebody who values justice, accountability, and participation. We must add that the Haitian Conference of Religions, the CHR, as well as 43 priests, expressed their support and their solidarity to Jean-Bertrand Aristide. It

is service of the poor, in another form, that God puts into your hands, the priests essentially expressed.

Government Will Respect State Council Authority

FL0401213591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 3 Jan 91

[Text] The State Council advises the concerned people of Haiti, those living abroad, as well as international institutes and agencies that in keeping with the 4 March 1990 Agreement, all statutory orders, contracts, conventions, and agreements with the Haitian Government must be approved by the State Council.

Anyone with interests related to clauses in the 4 March Agreement should be advised that the new government, to be instituted on 7 February 1991, will be

Trinidad and Tobago

Opposition Party Prepares To 'Face the Polls'

FL0401163591 Bridgetown CANA in English 1528 GMT 4 Jan 91

[Text] Port of Spain, Trinidad, Jan. 4, CANA—Trinidad and Tobago's minority opposition People's National Movement (PNM) says it is preparing for general elections although a date has not yet been announced.

"We're playing cautious," said political leader Patrick Manning. "With the way things are going, we feel general elections could be called at any time." The party will begin screening candidates for the general elections next Thurday with Manning, the first candidate facing the screening committee. Manning told the Caribbean News Agency (CANA) on Thursday that he wanted to be ready to face the polls, whenever elections are called. "I just have a feeling it could be soon," he said. The current Parliament's five-year term ends in December.

The PNM, which formed the government for 30 years, faced their first election defeat in 1984 when the ruling National Alliance for Reconstruction (NAR) won 33 of the 36 seats. A small breakaway faction from the NAR formed a new party and replaced the PNM as the main opposition group in Parliament. The PNM added another seat when in a December 17 by-election, it took a constituency formerly held by the NAR.

Impact of Coup 'Relatively Small' on Economy

FL0501181091 Bridgetown CANA in English 1453 GMT 5 Jan 91

[Text] Port of Spain, Trinidad, Jan 5, CANA—The economic impact of the July 27 coup attempt in Trinidad and Tobago was "relatively small," according to the central bank.

"The coup attempt prompted outbreaks of looting and arson which affected mainly the distribution sector of the economy and in particular the retail sub-sector," the bank reported.

"There was some disruption of production in other areas due to the imposition of a national state of emergency and a curfew, but the economic effects of these have so far been judged to be relatively small," the bank said in its third quarterly economic bulletin for 1990.

Following the coup attempt by a rebel Muslim sect, the Jamaat al Muslimeen, several business places in the capital and its environs were destroyed by looting and fire. Damage has been put at more than one billion dollars (one TT [Trinidad and Tobago] dollar equals 23.5 U.S. cents) by industry minister, Dr. Bhoe Tewarie.

The central bank said the provisional estimates for January to September 1990 found a deceleration in economic decline. There was, however, a 2.9 percent decline in the non-oil economy which the bank attributed to the coup attempt.

"The decline in the non-oil economy was partly attributable to contraction of retail sales in the distribution sector due to widespread looting and arson following the events of July 27 and the subsequent imposition of an extensive curfew under the state of emergency," it reported.

The petroleum sector, the report said, benefitted from a turnaround in the petrochemicals sector, which expanded by 39.2 percent in the third quarter due to increased production and firmer conditions on the international market. Merchandise exports for the first eight months of last year amounted to 4,590.6 million dollars, a 2.2 percent increase from the corresponding period of 1989.

Trade surplus to the end of August last year, totalled 1,438.2 million dollars, more than 30 percent higher than the corresponding first eight months in 1989. The bank observed a decline of 298.2 in merchandise imports, which it said contributed to the improvement in the trade balance.

However, data available to the end of June, last year indicated that the overall balance of payments deteriorated relative to the country's external performance in the first half of 1989. The deficit of 74.2 million dollars incurred in that period widened to 370.9 million dollars in the current period, influenced by an expanded captial account deficit.

The balance on current account for the first half of the year, however, remained positive despite a deficit of 190.8 million dollars in the second quarter. The balance of payments deficit was not fully reflected in the change in reserves as debt repayment in the first half of the year were substantially financed by debt relief of 610.1 million dollars, the report said. This enabled reserves to

increase by 239.2 million dollars. The increase was partially eroded by a decline of 43.8 million dollars in the third quarter.

Another article in the latest bank bulletin stated that it was "premature and dangerous" to believe that recent increases in oil prices will lead to windfall revenue for government. In an analysis of the impact of last year's high oil prices on the economy, Michael John, an economist in the research department of the central bank, stated that "even if prices are sustained the tax regime will yield less on an annual basis and the IMF (International Monetary Fund) arrangements will sterilise some of these additional revenues."

Finance Minister Selby Wilson announced last month in his budget presentation, that government did not intend to renew its stand-by arrangement with the IMF when it expires in March this year.

The article concluded that, "there will be increased revenues, but anticipation of increased public expenditure should be tempered to avoid disappointment."

Central Bank Tightens Credit Requirements

FL0401152591 Bridgetown CANA in English
1151 GMT 4 Jan 91

[Text] Port of Spain, Trinidad, Jan. 4, CANA—The Trinidad and Tobago Central Bank has instituted a new loan policy for commercial banks and financial institutions.

It has imposed a minimum down-payment requirement of one-third the price on certain consumer items being purchased by members of the public on loan. The new orders will be mandatory for the purchase of imported or local cars and electronic items, household appliances, and furniture.

The policy, which came into effect on Wednesday, also shortens repayment periods for a range of consumer items. The bank has shortened the repayment period to two years for stereo and video equipment, television sets, and similiar equipment. The maximum repayment period on loans for car purchases is 48 months.

The guidelines had been relaxed in 1986.

Among measures announced by the bank was the abolition of the secondary reserve requirement which stood at five percent of commercial banks' deposit liabilities. The secondary reserve requirement, instituted in the late 1960's as a liquidity buffer for the commercial banks, also had subsidised government borrowing costs in the money market because of the captive market provided by the secondary reserve requirement for the Treasury Bill issues, according to the bank's statement.

The removal of the secondary reserve requirement follows successive reductions from the 11 percent to five percent over the period January to July, 1989. The bank said the average Treasury Bill rate rose from five percent at the end of 1988 to 7.5 percent at present.

The purpose of the new guidelines, the bank explained, is to tighten the terms of consumer credit to ensure that this category of bank credit which supports expenditures of a high-import content, can be restrained in line with the Central Bank's objective of continued foreign exchange reserves accumulation. "The Central Bank will continue to monitor closely the developments in the money market as well as in consumer credit to ensure that credit conditions are consistent with its stated policy objectives," it said.

State Attorneys Boycott Courts for Higher Pay

FL0401153091 Bridgetown CANA in English
1258 GMT 4 Jan 91

[Text] Port of Spain, Trinidad, Jan. 4, CANA—Lawyers in Trinidad and Tobago say they will again stay away from courts today to press for better pay. State attorneys boycotted the criminal assizes in Port of Spain and San Fernando here and in Tobago on Thursday, forcing judges to postpone 14 cases.

In Port of Spain, Justice Anthony Lucky postponed eight cases, including three murders. A murder case was among three matters adjourned in San Fernando, and in Tobago, three were postponed, one case being for murder.

Paula-Mae Weekes, vice president of the Association of Legal Officers, said state attorneys are asking for an interim increase pending a full review of the Salaries Review Commission (SRC). The interim measure includes a $1,000 (one TT [Trinidad and Tobago] dollar equals 23.5 cents U.S.) professional fee. The attorneys are calling on Cabinet to make an immediate decision on the SRC report, which turned down a recommendation for increases in salaries.

El Salvador

Further on U.S. Helicopter Downing Incident

FMLN Issues Communique

PA0401174591 (Clandestine) Radio Vencermos in Spanish to El Salvador 0002 GMT 4 Jan 91

[Communique issued by the Farabundo Marti National Liberation Front (FMLN), Third Military Region of the National Army for Democracy, Francisco Sanchez Northeastern Front, in El Salvador, on 3 January]

[Text] Regarding the downing of a helicopter while it was overflying areas under FMLN control in the San Francisco Canton in Lolotique, Department of San Miguel, we hereby state:

1. In the past few weeks, fierce clashes have taken place in this area with the National Guard's Baquerano and Arce battalions, which reacted to our operations.

2. On Wednesday, 2 January, troops of our National Army For Democracy were meeting with area residents when a military helicopter arrived, flying at low altitude. It was equipped with two M-60 machine guns and visible insignia identifying it as belonging to the U.S. Army. Our fighters, presuming that the helicopter gunship would open fire on the group of civilians, as is usually done by the Salvadoran Air Force, attacked the helicopter with rifle fire, downing it immediately.

3. Later, we captured the helicopter and one of its machine guns, and evacuated the helicopter's crew. One of the pilots was dead, with a bullet hole in his skull. The other two were badly wounded, and they were given first aid. We turned the two men over to area residents, so they could take them to the San Miguel hospital. However, they did not survive their serious wounds. There are dozens of witnesses among the townspeople to these statements.

Five hours after this incident, Air Force helicopters showed up at the place and, although they came down to within the range of our weapons and we could have shot them down, the general command of the Third FMLN Military Region instructed the guerrillas to withhold their fire so the bodies of the three U.S. military men could be evacuated. Therefore, the Coprefa report on the deaths of these crewmen is completely false.

4. This incident does not at all contradict our determination not to attack U.S. personnel, a decision we still abide by. This attack was carried out against a military aircraft in a war zone. We are at a loss to explain why an aircraft reportedly flying to Honduras was overflying a war zone at such a low altitude. We cannot be held responsible for the lives of military men aboard military aircraft, or those who are found in enemy garrisons.

5. The FMLN is entitled to defend itself with any weapons it deems necessary, as long as the United States continues to supply the antidemocratic forces with sophisticated planes and weapons.

5. [number as heard] This incident reiterates the need for the United States to withdraw its military support from the genocidal Armed Forces, which are questioned [cuestionada] by the Salvadoran people, and to make concrete contributions to reaching political accords to end the conflict.

El Salvador, 3 January 1991.

Rebel Source Reaffirms FMLN Account

PA0501223691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0017 GMT 5 Jan 91

[Text] This afternoon we established contact with the fighters who participated in the downing of the helicopter, and they have confirmed that they fired on an armed U.S. aircraft when it flew over a densely populated region under control of the Farabundo Marti National Liberation Front [FMLN].

The fighters, believing that the aircraft was going to fire on the area, fired on it with their rifles. The helicopter was 100 meters away when they opened fire and hit the pilot's cabin and the aircraft rotor. The helicopter crashed 500 meters away and the rotor landed dozens of meters from the rest of the aircraft.

The fighters reported that when the helicopter crashed, our forces seized it and evacuated the crew. One of the crew members was already dead. The other two were dying. First aid was given to the seriously wounded men and the townspeople were ordered to take them to the San Miguel Military Hospital.

A bullet fired frontally on the cabin entered the body of one of the crew members through his jaw and left through the back of his skull.

Once the wounded had been removed and the townspeople had been instructed to take them away, the two men died from serious wounds.

At 1900, several helicopters arrived to remove the bodies. The people used Coleman lanterns to illuminate the area. Our fighters had left to allow the removal of the bodies of the U.S. military men. They could have fired on the helicopters, but the 3d Military Regional Command of our National Army for Democracy had given instructions that there should be no firing so as to permit the removal of the bodies of the U.S. military men in territory under FMLN control. Our forces withdrew from the area and remained nearby to observe the maneuvers of the helicopters. They saw that the bodies of the three U.S. advisers were removed later that evening.

This is the report we have received from our fighters through radio communication with the Northeastern Front in northern San Miguel Department.

FMLN Commentary Blames U.S.

PA0401215091 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0024 GMT 4 Jan 91

[Station commentary: "The Americans' Best Course of Action"]

[Text] Three American military advisers, including a U.S. Army lieutenant colonel, have been killed in a war zone as a result of an act of war. The nature of the Salvadoran conflict has turned the entire country into a war zone. That this military helicopter has been shot down is evidence that the Americans are actively waging war as members of one of the two armies. According to congressional restrictions, American advisers are not authorized to participate in operational missions in a combat zone. Evidently, however, the Green Berets intentionally violate their own regulations. The incident at Lolotique, in San Miguel, shoots to pieces the cynical campaign of pressure mounted by the U.S. Department of State, which seeks in vain to isolate the Farabundo Marti National Liberation Front [FMLN] from its international connections.

The government of George Bush speaks of supporting peace and negotiations in El Salvador. In practice, however, the U.S. Government actively participates in operational war missions, conceals the murderers of the Jesuit priests, hampers UN mediation, and, worse, stubbornly continues to give more military aid to the criminal Armed Forces. For more than 10 years, U.S. Governments have fanned the fires of war. The forces these governments have backed have assassinated more than 60,000 fellow Salvadorans. If the U.S. policy in our country continues, the FMLN reserves the right to arm itself and use any means to open the way for a democracy that will benefit a majority of the people.

U.S. congressmen should ponder this new event that (?inclines) us toward war instead of peace in El Salvador. The congressmen should take the best course of action and support, realistically and without reserve, the negotiating process for total demilitarization and peace in our country. This is the Americans' best course of action.

Army Searches for FMLN Commanders

PA0601175791 San Salvador EL MUNDO in Spanish 4 Jan 91 p 24

[Text] San Miguel, 4 Jan—Salvadoran Army commanders in the eastern sector of the country, particularly in San Miguel Department, have launched a search operation to capture FMLN [Farabundo Marti National Liberation Front] commanders "Dominguez" and "Joel." According to information gathered by military intelligence from peasants in San Francisco Canton, Lolotique, "Dominguez" ordered another rebel, known by the alias "Porfirio," to kill Lieutenant Colonel Pickett and the other soldier, Dawson, who were still alive in the downed helicopter.

According to a 3rd Infantry Brigade Military Intelligence source, the helicopter, manned by three U.S. crewmen, was flying low along the Lolotique mountain range, the highest in the area, when it was shot down by fire from weapons of various calibers, including "heavy" weapons. The pilot lost control and crashed. The peasants reportedly told the intelligence officers that the helicopter fell to the ground "rear end first" and that they then heard a crash.

The peasants told the investigators that they ran to the site of the crash to see what had happened to the crew. When they got there the helicopter was already surrounded by rebels headed by "Commander Dominguez," whom they know very well. The peasants added that two of the three men in the helicopter were still alive and asked for water. One of them was fair-skinned and the other dark-skinned. The peasants also told the intelligence officers that the group headed by "Dominguez" consisted of between eight and 10 rebels. According to the peasants, "Commander Dominguez" ordered "Porfirio" to put the fair-skinned man, later identified as Lt. Col. Pickett, and the dark-skinned one, Dawson, out of their misery. The peasants said that the third crewman died in the crash.

According to what the peasants told the intelligence officers, "Dominguez" then ordered the bodies removed from the helicopter and the aircraft set on fire. The commander later picked up the documents the dead soldiers had with them and began to read them. According to the peasants, "Dominguez" turned pale and said: "Hell, we screwed it up. Let us get out of here." They immediately fled in a northwesterly direction. The Salvadoran soldiers arrived at approximately 1930 to retrieve the bodies.

Sources have indicated that "Dominguez" is an FMLN political- military commander who also goes by the alias "Will." He is from Santa Elena, Usulutan, aged 35, approximately 1.55 meters tall, and heavy-set; he has scars on his abdomen and right hand, and his left ear is split. He is armed with an AK-47 rifle and a nine-mm pistol. He does not wear a uniform and leads a group of 15 rebels, who are his bodyguards, and 40 fighters. He operates in the cantons around Lolotique and travels in the areas of Villa El Triunfo and Sesori. He has been a rebel for the past 10 years and before that he was a farmer. It is said that he controls certain labor leaders and peasant organizations.

Sources have also indicated that "Dominguez'" superior is "Commander Joel," aged 30, tall, slender, dark-skinned, an expert sharpshooter, and also a political-military leader. "Joel," who is armed with a G-3 rifle, is an infiltration expert and operates in San Gerardo, Cerro Pan de Azucar in Sesori, Villa El Triunfo, Lolotique, Cerro Potosi, and El Tablon.

It has been said that all of the information that Military Intelligence has collected at the crash site has already been handed over to the U.S. authorities.

FMLN Asks for UN Investigation

PA0601221191 Paris AFP in Spanish 2033 GMT 6 Jan 91

[Text] San Salvador, 6 Jan (AFP)—The Salvadoran guerrillas have asked UN Secretary General Javier Perez de Cuellar to sponsor an "independent commission" to investigate the death of three U.S. soldiers on 2 January in the eastern part of the country after the helicopter in which they were traveling was shot down.

In a communique released today, the leftist Farabundo Marti National Liberation Front (FMLN) again rejected charges made by the U.S. State Department based on an initial forensic report prepared by U.S. experts, which stated that two of the three soldiers were executed by the guerrillas on the ground. The communique also stressed "the need to create a commission to investigate the veracity of the incident."

"We are willing to allow further investigations in territory under our control. We believe that the opinion given by the U.S. forensic team has no credibility, given its links with the U.S. Government," the FMLN communique stressed.

Furthermore, the FMLN said that "due to the possible implications from this war incident, we deem it necessary to propose and support the immediate creation of an international medical and forensic commission to conduct an investigation." "The commission could be sponsored by UN Secretary General Javier Perez de Cuellar. It is only in this way that the U.S. and international public will be able to obtain an impartial and objective opinion, free of pressures," the rebel communique added.

The FMLN did not rule out the possibility of a "U.S. conspiracy," noting that a group of peasants who witnessed the incident have been pressured to change their initial version, in which they said that the soldiers died from the injuries they suffered in the accident and because they did not receive first aid assistance.

Cristiani Condemns FMLN

PA0701022591 San Salvador Radio Cadena YSKL in Spanish 0055 GMT 7 Jan 91

[Report by Maribel Montenegro on statements by President Alfredo Cristiani in San Salvador on 6 January—passages within quotation marks are recorded]

[Text] Salvadoran President Alfredo Cristiani today reaffirmed that peace will be attained this year and that everything will depend on the resolve of the FMLN [Farabundo Marti National Liberation Front], because otherwise he will have to resort to military means.

[Cristiani] "We believe that this depends on the FMLN. If the FMLN shows resolve and a willingness to attain peace via a political process such as the one that is under way, we will not even have to consider that option. The FMLN will set the tone; it will determine what option will be chosen. We will continue to support the peace process; however, should they discard that possibility, we will have no other option than to follow the other path. It will all depend on their attitude."

The president condemned the FMLN's downing of a helicopter on 2 January in an area of conflict in San Miguel in which three U.S. soldiers were killed. Cristiani said that in view of this FMLN attitude, the U.S. Government will reconsider the resumption of military aid to the country.

[Cristiani] "This is nothing more than a barbaric action. It definitely shows what the FMLN really is. We believe it is time to end these kinds of actions in our country. We believe it is time we have the peace that we want so much, so we may ensure that everyone in El Salvador will live in peace.

"I believe the kinds of actions that they carry out and the barbarism of this crime have become very evident. This is precisely the kind of situation that our peace efforts are trying to prevent. We will maintain our peace efforts and will continue to participate in the peace process to prevent these kinds of actions.

"I believe the United States, especially the Congress, must take note of what the FMLN has done, even to citizens of their own country. We believe it is now time to send us positive signs, not negative signs that could promote a continuation of violence that they have [words indistinct] the FMLN.

"In this regard, although the death of Salvadorans unfortunately causes no impact in the United States, we hope the death of these three U.S. nationals will bear a clear message, making them realize that our country actually needs positive messages in favor of peace."

On the same topic, the Salvadoran president added that a permit has already been granted to U.S. judicial authorities to conduct an in-depth investigation of the death of the three members of the U.S. Army. He pointed out, however, that Salvadoran judicial authorities will participate in the investigations.

As for the arrest of 11 Salvadoran citizens in Nicaragua for the transshipment of weapons to the FMLN, President Cristiani said:

[Cristiani] "The Nicaraguan Government, via its foreign minister, has told us that they have begun a judicial process there because they violated Nicaraguan laws by using their territory to carry out this kind of activity. We hope that Nicaragua and its judicial system will comply with its commitment of enforcing the law in that country and that it will punish those who are responsible for this."

President Cristiani added that the Armed Forces are already implementing new manuevers and tools to counter the FMLN downing of Air Force planes and helicopters through the use of missiles. Cristiani said

that war continues to cause serious damage to the country, but added that peace will bring social well-being for the entire population.

Minister Predicts U.S. Policy Change

PA0401215891 Mexico City NOTIMEX in Spanish 1914 GMT 4 Jan 91

[Text] San Salvador, 4 Jan (NOTIMEX)—General Rene Emilio Ponce, the top Salvadoran Army Commander, said here today that a strategic development is about to occur in the correlation of forces in the Salvadoran war.

Ponce predicted to NOTIMEX that soon the political rear guard and logistics supply of the guerrillas will be closed. He also predicted the lifting of restrictions on U.S. aid, which is the Salvadoran Army's main source of supply.

Ponce, who at 43 is the youngest general in the history of the Salvadoran Armed Forces, is basing his predictions on the acknowledgement by the Sandinist People's Army (EPS) that a group of its officers—now under arrest—has delivered surface-to-air missiles to the Salvadoran guerrillas. The downing of a helicopter, in which three U.S. airmen were killed, is another deciding factor.

Ponce predicted that the public acceptance by the EPS of the delivery of the missiles and the jailing of former Nicaraguan officers and Salvadoran citizens in Nicaragua "is the beginning of the formal suspension of any kind of aid to the guerrillas."

Ponce labeled as positive the measures adopted by Violeta Chamorro's government to stop EPS support of the Salvadoran guerrillas. He warned, however, that the Army "will remain patient," waiting for more concrete signs. He said, "It is very positive for the Salvadoran Government that Nicaragua has adopted these measures. However, we will have patience, as Armed Forces, to see if justice is carried out." He added, "I hope it will be."

He said that the investigation being conducted by the Nicaraguan authorities regarding the transfer of missiles "proves what we have been saying for years: That the Sandinist support of the FMLN [Farabundo Marti National Liberation Front] is a reality."

According to Ponce, the use of surface-to-air missiles by the FMLN "has escalated the war" and the possible execution of two of the three downed airmen by the rebels will modify the U.S. position regarding El Salvador.

Ponce interpreted the U.S. decision adopted in October to place conditions on delivery of half the military aid to El Salvador as a sign of encouragement to the FMLN to launch a vast military offensive in November and to use surface-to-air missiles for the first time.

According to the official U.S. and Salvadoran versions, there are indications that two of the three crew members of the downed helicopter were finished off by the guerrilla group that downed the plane. This must be confirmed, however, by the doctors performing the autopsy.

Ponce said: This should prompt the U.S. Congress to release the military aid withheld since October 1990, thus sending "the message that the U.S. Government seeks peace, which cannot be attained by weakening those who defend a just cause."

According to the high-ranking Salvadoran military commander, even though the FMLN has been accused of maintaining its "warmongering attitude," peace can be attained through the negotiations the parties involved are holding under the UN's sponsorship.

The main obstacle throughout eight months of negotiations has been the two parties' radical position concerning the Armed Forces issue. According to the FMLN, the Armed Forces must disappear and, according to the Salvadoran Government, the Armed Forces must be "reorganized," but not cease to exist.

Ponce thinks that the FMLN demands this because the Armed Forces "have been the obstacle which has prevented the rebels from seizing power," so the rebels will try to "achieve at the negotiating table what they could not achieve on the battlefield."

"The Armed Forces must follow the trend which is occurring in the world," Ponce said after stating that the military corps is immersed in a transformation process that includes the Army's subordination to civilian authorities and its support for democracy.

"We have embarked on the right path. The measures we have adopted concerning support for the dialogue-negotiation and respect for human rights are clear. All we need if for them to be understood as such," he said.

In his first interview after being promoted to general on 31 December, Ponce emphasized that the message sent by the latest events must be heard not only by the U.S. Congress but by the whole world. "We ask the world to understand that we are immersed in a series of changes and that our people need peace. Therefore, all those who openly or covertly support the FMLN are helping to extend the war which no one wants any more," he said.

CODEFAM Accuses Army

PA0601032891 San Salvador DIARIO LATINO in Spanish 4 Jan 91 p 6

[Text] The Marianela Garcia Villa Committee of Relatives of Murdered and Missing People and in Favor of the Release of Political Prisoners in El Salvador (CODEFAM) today condemned what it described as the government's "manipulation" of the case of the three U.S. military advisers who were killed in the eastern sector of the country. The CODEFAM also demanded a solution to the war conflict in the country and an end to conscription.

CODEFAM President Armando Salazar said the Salvadoran Armed Forces are trying to use the deaths of the three U.S. military advisers to receive more military aid and that the military has made the assumption that the U.S. soldiers were "executed" by the rebels.

Rebels Allege Air Force Strafing

PA0601044991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Jan 91

[Text] Attention: We have received a report that at 1500 on 4 January several Salvadoran Air Force helicopter gunships strafed and rocketed the area where the U.S. helicopter was downed. The report states that the attacks were centered on the northern Lolotique sector of the San Miguel Department. We are waiting for more information, as there could have been victims among the civilian population. The report we have received reveals that the Salvadoran Air Force indiscriminately strafed the area where the North American helicopter was downed recently.

We believe that this genocidal, criminal action by the Salvadoran Armed Forces is part of a plan... [changes thought] is an attempt to intimidate the civilian population in the area. The Armed Forces are trying to scare the people who witnessed the downing of the helicopter and the events that took place after it was downed. The downing of the helicopter is already of public knowledge. We believe the strafing of this area is part of a campaign to frighten the people who witnessed the downing of the helicopter.

There is another incident that we have already reported. Nine people who witnessed the downing of the helicopter have disappeared. These nine Salvadorans who witnessed the downing of the helicopter in the San Francisco canton in Lolotique went to the 3d Infantry Brigade garrison to report what they had seen and they have not been seen since. Their relatives call on the International Red Cross and the Catholic Church to intercede on their behalf so that they may be found.

We believe that the strafing of the densely populated areas in Lolotique and the disappearance of the nine peasants who witnessed the downing of the U.S. helicopter are connected actions. We are certain that the Armed Forces are trying to frighten the witnesses in an effort to pressure the U.S. Congress into unfreezing the military aid to El Salvador.

Archbishop: Crash Survivors Killed

PA0601230091 San Salvador La Voz Panamericana in Spanish 1448 GMT 6 Jan 91

[Sunday homily by San Salvador Archbishop Monsignor Arturo Rivera y Damas from the Metropolitan Cathedral—live]

[Excerpt] [Passage omitted] I will now comment on last week's developments. If you want peace, respect the thoughts of every man. This short phrase summarizes the Pope's message concerning the world peace drive for the year that just began. With this we have a sure guide to ensure that 1991 will see the end of the armed conflict in El Salvador. Respecting the thoughts of every man, however, means renouncing all kinds of manipulations. This principle applies in the same measure to the delicate case of the three U.S. soldiers killed on 2 January, to the talks between the government and the FMLN [Farabundo Marti National Liberation Front], and to the never- ending discussion on the return of the Salvadorans who since 1980 have lived—or used to live—in the remote Panamanian region of Ciudad Romero.

Respect for other's thoughts radically puts into question the way in which we have habitually conducted electoral campaigns. We are hopeful that there will be changes leading us to peace.

As for the death of the U.S. military personnel, the information gathered at the site of the tragedy by the Archbishopric's Legal Assistance Office gives us a basis to presume that two of the occupants of the helicopter were killed by FMLN members. Such an action is a clear violation of international humanitarian law. We do not know what repercussions such a serious action will have on the negotiation process, which seems to have started with encouraging possibilities in the first few days of the new year.

Other reports regarding the supply of missiles to the guerrillas by Sandinist soldiers and the joint U.S.-USSR efforts on the Salvadoran problem should bring us closer to the peace that we are so painfully expecting.

Meanwhile, hundreds of Salvadoran refugees are waiting in Panama for the moment of return. If it is true that the residents of Gualcho in Usulutan Department have welcomed the refugees, the most difficult problem would have been resolved and their repatriation should no longer be delayed. [passage omitted]

Dreyfus Explains Missile Sale to Cristiani

PA0401213991 San Salvador Radio Cadena YSU in Spanish 1730 GMT 4 Jan 91

[Text] Nicaraguan Foreign Minister Enrique Dreyfus today presented a report to President Alfredo Cristiani on the investigation into the sale of missiles to Salvadoran guerrillas by certain members of Nicaragua's Sandinist People's Army [EPS].

The document that the Nicaraguan official presented stated that 28 missiles were delivered to Salvadoran insurgents. According to the official report, the rebels paid $11,500 for them. Other information disclosed in the report indicates that the deal was transacted on Nicaraguan territory.

Dreyfus noted that the deliveries were carried out without the knowledge of Nicaraguan civilian and military authorities. According to Dreyfus, the authorities are certain that the three EPS officers indentified so far

are the only ones involved in the deal. He further explained that such activity does not imply the involvement of his country's armed forces as an institution.

According to the investigation, the material illegally sent to the Salvadoran guerrillas included 16 SAM-14 and 12 SAM-7 missiles. Dreyfus stated that this operation is the result of political action by the previous government to ensure that the political conflict within Nicaragua spread to Central America, he emphasized.

[Begin Dreyfus recording] I want to tell you that, on specific instructions from Nicaraguan President Violeta Barrios de Chamorro, we have come here to inform President Cristiani of the incidents surrounding the disappearance of 28 missiles owned by the Nicaraguan Army. Apparently, these missiles were sent to the FMLN [Farabundo Marti National Liberation Front].

We have very good relations with all the Central American countries, including the Salvadorans. We want to continue these good relations. We believe that the foundation for these good relations is to speak up clearly, explain the problems, become aware of them, and seek solutions to them.

These missiles were apparently sold for $11,500. The four Nicaraguan military officers, one retired officer and three on active service, claim—they told this to the international media in Managua yesterday—that they sold the missiles to Commander Villalobos and a man nicknamed Rodriguez. [end recording]

The foreign minister said that this involuntary incident contradicts commitments made by Chamorro's government to respect the sovereignty and internal affairs of the other countries of the area.

He added that this situation shows that the hospitality that Nicaragua has shown to thousands of Salvadoran refugees, exiles, or illegal aliens is being abused. He noted that everything will be investigated so that everyone will not be viewed as culprits in an isolated action.

[Begin Dreyfus recording] In a goodwill and humanitarian gesture, Nicaragua gave refuge to a large number of Salvadorans, some of them refugees, others exiles. The status given to exiles and refugees, however, has been paid back with this action, an action that has placed the Nicaraguan Government and Army in the position of having broken their international commitments. Nicaragua cannot permit that. It will not permit it. We consider this an abuse of the Nicaraguan attitude, an attitude that promotes reconciliation, peace, democracy, and development in the area. [end recording]

During a news conference after his meeting with President Cristiani at the Nicaraguan Consulate in El Salvador, Dreyfus stressed that one of the most immediate undertakings will be to inventory the missiles the EPS has in its possession. He declined to say if an arrest warrant was issued for FMLN Commander Villalobos, who is accused of participating in the operation.

He did note, however, that Villalobos is sought by his country's military authorities and that if he is not inside Nicaragua, it will be very difficult for him to enter the country.

In this case, three ranking EPS active officers and a retired officer are under arrest for stealing weapons. It was officially reported that 11 Salvadorans were also captured for their participation in the operation.

Merino Implicates EPS Chief in Weapons Sale

PA0501040591 San Salvador Canal Doce Television in Spanish 0319 GMT 5 Jan 91

[Report by Mauricio Funez]

[Text] Vice President Francisco Merino has stated that [the sale of missiles to the Salvadoran rebels] cannot be considered an isolated incident, as far as the general policy of the Nicaraguan Armed Forces is concerned. Vice President Merino said that General Humberto Ortega, chief of the Sandinist People's Army [EPS] is just as guilty as the the four arrested officers.

Merino said that the EPS must be measured by the same yardstick that the FMLN [Farabundo Marti National Liberation Front], and the Sandinists in the past, tried to use to measure the Salvadoran Armed Forces' behavior and their responsibility in the Jesuit priests' murder.

According to Merino, the chain of responsibility in the illegal sale of missiles to the Salvadoran guerrilla groups must also include the military leadership and not be limited to the four arrested officers.

[Begin Merino recording] They are apparently trying to wash their hands by blaming the four officers who are charged with the crime; while the truth is that the responsibility is also shared by the EPS system and the commanders. The Nicaraguan vice president has clearly stated that General Ortega and the other commanders are equally responsible and that the FMLN's violence was being supported logistically from Nicaragua. [end recording]

Merino said that the Nicaraguan Government must thoroughly investigate the operation and establish the corresponding responsibilities, above all because the illegal supplying of weapons to the FMLN has been reported for several years.

Talking about the downing of the U.S. helicopter in the town of Lolotique, the official said that not even the cut in the United States' military aid has been enough to persuade the guerrilla groups that they should suspend their military actions in the country.

[Begin Merino recording] It has been proven that, despite the cuts and the provisions for the aid, the FMLN's irrationality has led to more victims—in this

case, U.S. military officers who have absolutely nothing to do with the Salvadoran problem and who were flying between El Salvador and Honduras for job-related reasons. [end recording]

Vice President Merino said that the two guerrilla actions prove that the FMLN has no intention of reducing its military actions despite the talks that are currently underway with the government.

FMLN Issues Communique on Missiles

PA0601034591 Managua BARRICADA in Spanish 5 Jan 91 p 4

[Communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) on 4 January in El Salvador]

[Text] Communique from the FMLN General Command regarding the removal [sustraccion] of missiles owned by the EPS [Sandinist People's Army] in Nicaragua.

1. The FMLN maintains in Nicaragua political, diplomatic, and humanitarian agencies involved in propaganda, international relations, solidarity, care for comrades crippled in war, and support for refugees. In Nicaragua we maintain no military agencies involved in logistics, training, or other tasks that use the Nicaraguan territory.

2. It is false that Commander Joaquin Villalobos has had anything to do with the transshipment of missiles.

3. Should the conclusions of the investigations conducted by Nicaraguan military authorities regarding the removal [sustraccion] of EPS missiles prove true, mid-level officials and FMLN cadres who acted on their own initiative are responsible.

4. The FMLN has launched an investigation to clarify this incident, and should this finding be confirmed, it will determine responsibilities and adopt the necessary measures to prevent such incidents from occurring again.

5. The FMLN reaffirms its gratitude and friendly ties with the Nicaraguan people and the FSLN [Sandinist National Liberation Front] and its militancy, which throughout these 10 years of revolutionary war in El Salvador have maintained an unquestionable solidarity and internationalist position in search of a political solution and fair conclusion to the conflict that our country is experiencing. The FMLN specifically urges everyone in the Nicaraguan, Salvadoran, and international revolutionary movements to not be confused by incidents such as the one mentioned in this communique, which are the product of objective realities that are inherent to our processes, but which in no way cast any doubt on the revolutionary nature of the Nicaraguan and Salvadoran processes or on the friendly and solid relations between the FSLN and FMLN.

FMLN General Command

Commanders Salvador Sanchez Ceren, Jorge Shafik Handal, Francisco Jovel, Eduardo Sancho, and Joaquin Villalobos.

El Salvador, 4 January 1991.

Sandinists Said To Train FMLN Guerrillas

PA0501230991 San Salvador LA PRENSA GRAFICA in Spanish 4 Jan 91 p 48

[Text] Confidential information available to military intelligence authorities proves that foreign mercenaries who are experts in the use of missiles participated in the downing of two airplanes in November.

A spokesperson for the Armed Forces Press Committee stated this morning that it has been clearly established that 17 missiles were fired during November.

The official said evidence was found indicating that several Sandinists and a Spanish citizen trained a large extremist contingent to fire the Soviet-built SAM-7 and SAM-14 ground-to-air missiles in the Departments of Usulutan and Chalatenango. Terrorist groups have shot down three aircraft in those areas.

He added that it has been confirmed that during the campaign launched by the communists on 20 November, 600 Sandinist Army troops entered the country at various so-called "blind spots" along the Honduran border with El Salvador.

The spokesperson added that four Nicaraguan Army officers have been selling this type of weapon to the FMLN [Farabundo Marti National Liberation Front] through Joaquin Villalobos, a high- ranking FMLN leader.

On this point, he stated that the Nicaraguan authorities, led by President Violeta Chamorro, have intensified their investigations. They hope to clear up the weapons trafficking matter and, in so doing, put an end to these underground maneuvers.

The official spokesperson recognized the efforts being made by President Chamorro in favor of peace in the region. He said that, like her, he is aware that there is still a lot to be done internally to clean up the Nicaraguan Armed Forces and stop them from continuing to supply war materiel to the rebels, who insist on trying to install communist governments in this part of the world by force.

In conclusaion, he stated that the Salvadoran Army will continue to fulfill its duty of safeguarding the nation's interests and will fight with courage to restore peace in the country.

Bomb Defused Near Armed Forces Staff Building

PA0401224691 Panama City ACAN in Spanish 2151 GMT 4 Jan 90

[Text] San Salvador, 4 Jan (ACAN-EFE)—A military source today reported that Salvadoran police technicians this afternoon defused a rebel bomb placed near the Armed Forces Staff Building.

Without giving details, the source said that the bomb was left by "urban commando units" of the Farabundo Marti National Liberation Front (FMLN) in the affluent San Benito neighborhood, located in southwestern San Salvador, near the main military base.

Two minors died last year when a bomb was thrown at their home during a frustrated guerrilla attack on the Armed Forces Staff Headquarters.

Guatemala

Presidential Runoff Election Results Reported

PA0701035691

[Editorial Report] Guatemala City Cadena de Emisoras Unidas in Spanish at 0327 GMT on 7 January reports that, according to the Supreme Electoral Tribunal, the partial results of the Guatemalan runoff presidential elections held on 6 January as given so far are as follows:

Candidate	Party	Number of Votes
Jorge Serrano Elias	Solidarity Action Movement	287,205
Jorge Carpio Nicolle	Union of National Center	124,065

Serrano Proclaims Victory

PA0701040991 Panama City ACAN in Spanish 0353 GMT 7 Jan 91

[Text] Guatemala City, 6 Jan (ACAN-EFE)—Jorge Serrano Elias, presidential candidate for the Solidarity Action Movement, MAS, this evening declared himself the winner in the presidential elections held on 6 January in Guatemala.

"I am the president chosen by the people and I will never be forgotten," Serrano said, asking the opposition and those who refrained from voting to join the government he will head for the next five years.

The preliminary official results issued by the Supreme Electoral Tribunal (TSE) give Serrano, the 45-year-old electrical engineer, conservative, and evangelist, 68.3 percent of the votes; and Jorge Carpio Nicolle, the 58-year-old Catholic businessman, journalist, and candidate for the Union of National Center, UCN, 31.7 percent of the votes.

UCN Concedes Defeat

PA0701022491 Mexico City NOTIMEX in Spanish 0204 GMT 7 Jan 91

[Text] Guatemala City, 6 Jan (NOTIMEX)—Gustavo Sanchez, spokesman for the Union of National Center, UCN, announced today that Jorge Serrano Elias, presidential candidate for the Solidarity Action Movement, MAS, is the virtual winner in today's elections in Guatemala.

After learning the results of the elections in the eastern Izabal Department, where Serrano Elias is ahead of UCN presidential candidate Jorge Carpio Nicolle, Sanchez said: "We did what we could, but we have the results right before our eyes."

Coverage of Elections, Early Returns Reported

Polls Open; Long Lines Reported

PA0601133891 Panama City ACAN in Spanish 1308 GMT 6 Jan 91

[Text] Guatemala City, 6 Jan (ACAN-EFE)—The polling tables opened at 0700 (1300 GMT) in Guatemala to begin the second round of the presidential elections. Approximately 3.2 million voters are expected to participate

Long lines of citizens have been seen at polling places in Guatemala City since the early morning hours. They will choose a new president from between conservative candidates Jorge Carpio and Jorge Serrano.

The 5,330 polling tables throughout the country will close at 1800 (2300 GMT) and the Supreme Electoral Tribunal expects to release the first results approximately four hours after voting ends.

Rebels Reportedly Threaten Voters

PA0701011691 Panama City ACAN in Spanish 2341 GMT 6 Jan 91

[Text] Guatemala City, 6 Jan (ACAN-EFE)—Alejandro Giammattei, spokesman for the Supreme Electoral Tribunal (TSE), has reported that the Guatemalan rebels threatened the residents of the Departments of San Marcos and Quezaltenango in an effort to keep them from voting today.

The source said that the rebels felled trees and dug trenches to block the roads and keep vehicles off the roads.

Giammattei showed the press a leaflet that the Poor People's Guerrilla Army (EGP) was distributing. In their leaflet the rebels state that "the elections do not represent a change because the same powerful men, who follow the orders of the military, will continue to rule."

"We suggest that you stay at home," the rebel's leaflet adds.

Because of the rebel's threat, many people chose not to vote, even though others walked long distances to cast their vote, Giammattei added.

Voter Turnout 'Notoriously Small'

PA0601181791 Panama City ACAN in Spanish 1648 GMT 6 Jan 91

[Text] Guatemala City, 6 Jan (ACAN-EFE)—During the first three hours of voting in the Guatemalan presidential elections, the number of voters at the polling tables is notoriously small, polling representatives in various parts of the country have reported.

The scarce participation of voters is also evident in the capital, where it was earlier believed that the citizens would be voting en masse.

The presidential candidates are Jorge Serrano, a conservative 45- year-old evangelist; and Jorge Carpio, a 58-year-old Catholic journalist and businessman.

Prior to the opening of the electoral boards, observers noticed a large number of voters in a few sectors of the capital, but three hours later, spokesmen at the polling tables agree that "very few people have voted."

In the country's interior, party poll representatives have reported that conditions are normal and that the scarce participation of voters so far "augurs abstention."

The representative of the polling table at the Institute of Tourism of Guatemala, where Carpio, the presidential candidate of the Union of National Center, voted, has regretted the absence of voters.

The latest polls have Jorge Serrano, the candidate of the Solidarity Action Movement, as the virtual successor of President Vinicio Cerezo, of the Christian Democratic Party

For these elections, 3.2 million of Guatemala's 9.5 million people have registered to vote.

The Guatemalans are electing their second civilian president since 1985, following 50 years of military governments.

Voting Concludes in 'Apparent Calm'

PA0701005091 Panama City ACAN in Spanish 0016 GMT 7 Jan 91

[Text] Guatemala City, 6 Jan (ACAN-EFE)—The voting in Guatemala concluded today at 1800 (0000 GMT) and the local press immediately began reporting on partial results that place Jorge Serrano ahead.

Serrano, 45 years old, and Jorge Carpio, 58 years old, both conservatives, are the two candidates for the Presidency of Guatemala running in this second round of elections. Serrano and Carpio obtained the highest number of votes, but not an absolute majority, during the first round which was held on 11 November.

The first table counted, in the capital of Totonicapan Department, reports that Serrano received 152 votes and Carpio 79 votes.

Despite Guatemalan guerrilla actions to sabotage the elections, the voting was held in apparent calm. According to local and foreign observers, however, there were a lot of abstentions.

The Supreme Electoral Tribunal (TSE) has announced that it expects to release the results of 80 percent of the count in approximately four hours, at 2200 (0400 GMT).

Army Issues Communique on Runoff Elections

PA0601162591 Guatemala City Cadena de Emisoras Unidas in Spanish 1504 GMT 6 Jan 91

[Press communique issued by the Army; place and date not given—recorded]

[Text] Concerning the runoff election for president, the Guatemalan Army hereby announces:

1. The Guatemalan Army guarantees the democratic process as the way of life chosen by the Guatemalan people to determine their own future and consolidate fundamental human rights in a free society.

2. The Army asserts that it does not support any particular political party or presidential candidate, in obedience to Article 44 of the Constitution, which stipulates that the Guatemalan Army is an institution created to preserve Guatemala's independence, sovereignty, honor, territorial integrity, peace, and internal and external security. The Army is defined as unique in the country—essentially an indivisible, professional, apolitical, obedient, and non-deliberative body.

3. The Army's role in the runoff elections is to establish security conditions that allow the citizens to do their civic duty by casting their votes. The Army does this according to the necessary vigilance, control, patrol, and assistance procedures stipulated by the Constitution and bylaws and included in directives that deal with prevention and providing timely warnings. The Army is committed to protecting the citizens from individuals or groups who attempt to disrupt the elections with violent actions.

4. The Army hereby refutes as groundless and ill-intentioned assertions that the Voluntary Civilian Defense Committees throughout the country are going to be manipulated to favor one particular presidential candidate. The members of these committees are fully entitled to vote, because this is a citizen's right, without pressure of any kind being placed on them and with due respect for their political inclinations.

5. As the Army promised with regard to the first elections held on 1 November 1990, it will respect the legality and purity of the 6 January 1991 elections and strive to have the people's will respected.

Refutes Charges of Backing Candidates

PA0601045391 Mexico City NOTIMEX in Spanish 0012 GMT 6 Jan 91

[Text] Guatemala City, 5 Jan (NOTIMEX)—Today, a day before the presidential runoff elections are to be held, the Guatemalan Army has denied reports that it is giving any type of support to one of the two presidential candidates.

A communique issued by the Army Information and Press Department (DIDE) rejected any charges to this effect and added that these were "groundless and ill-intentioned" reports.

The communique reaffirmed that the Army does not and will not support any of the political parties or any of the two candidates.

Starting at 1300 GMT today, a total of 3.2 million voters will have the chance to elect the second, consecutive civilian president. The presidential candidates are Jorge Carpio Nicole for the Union of the National Center and Jorge Serrano Elias for the Solidarity Action Movement.

Media reports had asserted that the Army would mobilize the voluntary civil defense committees in favor of one of the candidates, but the reports did not specify which of the two presidential candidates would be favored by the Army.

According to Armed Forces data, there are approximately 450,000 peasants in these civil defense committees, which were organized by the Army to combat the guerrillas.

The DIDE communique affirmed that the Army will ensure and protect the electoral process and pointed out that the current situation in the country is one of tranquility.

The Army will keep surveillance over each of the 5,630 voting tables that have been installed in 330 Guatemalan municipalities.

Candidates Favor Dialogue With Guerrila Groups

PA0501034491 Paris AFP in Spanish 1945 GMT 4 Jan 91

[Gonzalo Marroquin report]

[Text] Guatemala City, 4 Jan (AFP)—Jorge Serrano Elias and Jorge Carpio Nicolle, the two candidates who will compete for the Guatemalan Presidency in a second round of electoral voting scheduled for 6 January, today promised to govern the country fully independence of the military and to sponsor a dialogue "without conditions" with the guerrilla groups.

Serrano Elias and Carpio Nicolle recognized, during separate interviews with AFP, that the next president must achieve greater independence from the Guatemalan military which is still considered the main center of power in that Central American nation five years after its return to democracy.

Likewise, the two candidates agreed on the need to sponsor a dialogue "without conditions" with the leftist guerrilla groups of the Guatemalan National Revolutionary Unity (URNG), which has operated in the country for more than 30 years.

Serrano Elias, candidate for the Solidarity Action Movement (MAS) and whom the polls define as the favorite by a broad margin, said he will sponsor his own "doctrine" to achieve social peace and end the war "within a legally established framework."

Contrary to the Guatemalan Army's thesis, endorsed by Vinicio Cerezo's current Christian Democratic administration, which always demanded that the guerrilla groups turn in their weapons as a condition to participate in a dialogue, Serrano emphasized that "the dialogue must be conducted without prior conditions."

"This has been the position of an Army, the commander of which is Vinicio Cerezo; but from now on it will be the position of an Army, the commander of which will be Jorge Serrano," the MAS candidate insisted. Serrano Elias is one of the politicians who sponsored the Oslo Agreement, which opened the doors for broad negotiation with the URNG guerrilla groups in June 1990.

Serrano, an engineer and an active member of the fundamentalist church, said that the Guatemalan people "must go from war to peace without intermediate phases," because negotiations for a cease-fire or a truce "complicate the peace process."

The MAS candidate said that, in addition to the convenience of dialogue and negotiation with the guerrilla groups, it is essential to "change the (social, political, and economic) elements that cause the conflict; because it will not do to persuade those who are now in the mountains to come down so that others can go up to resume the struggle in five years."

Likewise, Jorge Carpio Nicolle, candidate of the Union of the National Center (UCN), also endorsed dialogue with the guerrilla groups because "the civil war in Guatemala must end."

Referring to this, Carpio emphasized that "dialogue without conditions must be accelerated so that we may end the struggle and the confrontation among brothers."

Talking about relations with the military, Carpio—a newspaperman who was Vinicio Cerezo's opponent in the 1985 elections—said that, if he wins the elections on Sunday, "I will be in charge and not the military, which is what has happened up to now."

"Jorge Carpio must rule Guatemala after 14 January because the Army hierarchy is under the Presidency, and

we must overcome the current situation in which President (Cerezo) yields to the military," the UCN candidate emphasized.

Serrano Elias also stated that, given its constitutional rank, command of the Army belongs to the Presidency and "the Army commander will rule during my administration, and my orders will be carried out."

Referring to the human rights issue, which prompted the White House to suspend once more its military aid to Guatemala last week, the two candidates also stated similar positions.

Carpio recognized that the next administration must promise to "fully and totally respect" the validity of human rights to overcome the negative international image that Guatemala has on this issue.

"One of our government's first actions would be to return to full relations with the United States, and to change Guatemala's negative image abroad, given the current human rights situation," Carpio emphasized.

Referring to this issue, Serrano Elias also advocated "full respect" for human rights, and he promised to thoroughly investigate all reports of human rights violations that have accumulated in the courts.

Nevertheless, Serrano said he was "surprised and annoyed" with the United States' recent decision to suspend military aid to Guatemala, and argued that this "not only punishes a government that is about to conclude, but also the new government that will be sworn in."

Referring to this, the MAS candidate said that he has begun contacts with Thomas Stroock, U.S Ambassador to Guatemala, to analyze the topic and prevent the sanction from "having repercussions and creating tension between the future government and the Guatemalan military."

Army, Guerrilla Clashes, Deaths Reported

PA0501004891

[Editorial Report] Guatemala City SIGLO VEINTIUNO in Spanish on 3 January publishes on page six two 300-word reports on guerrilla actions.

The first report says that, after a clash in which there were no casualties, Army troops dismantled a guerrilla camp located in the jurisdiction of San Juan Alotenango, Sacatepequez Department. The troops found two claymore mines and several boxes of ammunition. The report adds that a soldier was killed and two others were wounded in another armed clash with subversives in the area of San Juan Alontenago. The paper does not give the dates of the clashes.

According to the second report, four people died and six were wounded during a guerrilla attack on a bus in the jurisdiction of Panzos, Alta Verapaz Department. The report says that approximately 20 guerrillas stopped the bus near the Boca Nueva bridge and stole the passengers' money. They then "shot 35-year-old military commissioner Samuel Hones and 24-year-old Leonel Hernandez Cuxon, who died at the site of the action." The report adds that many of the passengers became hysterical and the guerrillas threw a one-year-old child and 11-month-old baby into the river. The children are still missing. The guerrillas then set fire to the bus and fled.

Honduras

Armed Forces Commander Views Regional Strength

PA0501232891 Tegucigalpa Voz de Honduras Network in Spanish 1840 GMT 4 Jan 90

[Interview with Brigadier General Luis Alfonso Discua Elvir, Armed Forces commander in chief, by unidentified reporters at the Presidential Palace in Tegucigalpa on 4 January—live or recorded; broadcast in progress]

[Text] [Discua] ...people from other countries.

[Reporter] Have there been any more arrests lately?

[Discua] No, none. We received two false alarm calls today, but nothing has been confirmed.

[Reporter] General Discua, can you confirm the changes within the Armed Forces that appear in today's newspapers?

[Discua] You had better wait for the official bulletin that will be released in due course. To misinform the Honduran people is a very delicate matter.

[Reporter] What steps are the Armed Forces taking to offer more protection to Honduran citizens?

[Discua] Soldiers were posted in town over Christmas.

[Reporter] Will this be kept up?

[Discua] We shall see.

[Reporter] Can you give us some advance information on the Armed Forces' restructuring?

[Discua] No, I cannot, because the Joint Chiefs of Staff are working on this.

[Reporter] What did you discuss with the president when you met on 1 January [words indistinct]?

[Discua] Whenever the president is away for several days, I, as a subordinate, try to inform him of the latest events. Nothing special.

[Reporter] When will the official changes or new appointments within the Honduran Armed Forces be known?

[Discua] In due course.

[Reporter] General, do you guarantee, as the new Armed Forces chief, that the country's Constitution will not be violated and that there will be no more coups d'etats?

[Discua] I have repeatedly stated my position that we need to maintain a democracy in this country.

[Reporter] A U.S. news dispatch states that there is an agreement between the Salvadoran, Guatemalan, and Honduran Armed Forces to provoke certain guerrilla actions, such as terrorist acts or confrontations, to attain your goals and prevent the Armed Forces from being reduced or cut back. Is this true?

[Discua] That is totally false.

[Reporter] International news dispatches also say that there is an increase in international terrorism. Have you been able to detect any of this? Have you been able to detect whether Honduran territory has been used to transfer weapons to Salvadoran guerrillas?

[Discua] The problem with Honduras is its geographical position, and because we are so democratic, anyone may come and go as he pleases.

[Reporter] Do the Honduran Armed Forces have the ability to prevent the transfer of weapons through our national territory?

[Discua] To do that, we would need to increase the Armed Forces.

[Reporter] By what percentage and in what places?

[Discua] If we want to prevent entry into Honduras through any of our borders, we would need to increase the numbers in our Armed Forces. Remember we have a very extensive border with Nicaragua, El Salvador, and Guatemala, and we have two very extensive coasts, expecially the Atlantic coast. I believe we are complying with our mission.

[Reporter] Would this increase also mean extra equipment and materiel?

[Discua] Listen, let us not talk about increases. You need to be more careful when you ask these sorts of questions. You asked if these people moved through our territory, and my reply has been we would need enough troops to hold hands over the entire length of the border to prevent this.

[Reporter] What will be the role of our Armed Forces in the Persian Gulf? Will there be direct military participation?

[Discua] None.

[Reporter] General, a few moments ago you replied to a question by my fellow reporter, and I wonder if you really think that the Armed Forces should be increased in size to better...

[Discua, interrupting] Let us not talk about numbers. We must train better.

[Reporter] Do you believe in the supremacy of civilian power over military power?

[Discua] The moment a constitutional president was elected by popular vote, that is the reply.

[Reporter] [Words indistinct] the Armed Forces regarding the domestic situation in El Salvador resulting from an intensification in the confrontations between the guerrillas and the Army?

[Discua] That is logical. It is a matter of concern for us when neighboring countries such as El Salvador confront this sort of problem, because regional stability hinges on the stability of all Central American countries.

[Reporter] What is your opinion of the Congress' decision to repeal the decree that assigned cars to the deputies?

[Discua] I believe that it made the best decision.

[Reporter] General, Guatemala said that it will not reduce the size of its Armed Forces because of the existing conflict between the guerrillas and the Army. What is your opinion of this?

[Discua] I believe this is a very personal decision that pertains only to Guatemala.

[Reporter] And in Nicaragua?

[Discua] What do you mean?

[Reporter] In Nicaragua President Chamorro vetoed a bill to reduce the size of the Sandinist People's Army.

[Discua] As I said, these are matters that pertain only to those countries. We respect the decisions made by other countries. I believe that we must respect them; we must not object to any aspect of them.

Guatemalan President Meets With Callejas 4 Jan

PA0701123691 Tegucigalpa LA TRIBUNA in Spanish 5 Jan 91 p 3

[Text] Guatemalan President Marco Vinicio Cerezo said yesterday that he is not only concluding his term in office, but is also ensuring a free electoral process in his country and contributing to peace in Central America.

Cerezo added that he has tried to improve the Guatemalan institutional processes to guarantee respect for human rights. "The truth is that we are very satisfied and happy," Cerezo added.

The Guatemalan president said that he is a very good friend of the other Central American presidents and "people seem to like me." He added that he is going to continue working with the Central American Parliament and for peace.

Regarding the presidential summit to be held shortly in Mexico, Cerezo said that it is an important summit and that Mexican President Carlos Salinas de Gortari has become aware of the need for regional unity. He added that the area's autonomy and independence will be strengthened by this regional unity.

Meanwhile, Honduran President Rafael Callejas, who held a 40-minute meeting with Cerezo, said that they broached various topics pertaining to Central America "because the Guatemalan president is a man who has the ability to define geopolitical strategies."

The presidents talked of peace in the region, Central American integration, the situation in El Salvador, the presidential summit to be held in Mexico, the struggle against drugs, and foreign policy.

Nicaragua

Officers Give More Details on Weapons to FMLN

PA0401170391 Managua Domestic Service in Spanish 1435 GMT 4 Jan 91

[Text] Today, the Sandinist People's Army [EPS] public relations directorate presented to local and foreign journalists the four Nicaraguan officers involved in the transfer and sale of missiles to the FMLN [Farabundo Marti National Liberation Front] guerrillas of El Salvador. Leiutenant Colonel Denis Moncada Colindres, chief of the EPS legal advisory office, presented ex-Major Odell Ortega Solano, who retired in August, Captains Donald Argenal Urtecho, Miguel Angel Parrales Martinez, and Reynerio Padilla Alvarez, active EPS officers, so that they could report on their participation in the theft of the surface-to-air missiles. The officers said that their actions were due strictly to solidarity and cooperation with the Salvadoran people and not for monetary profit. Here is some of what they officers said:

[Begin recording] [Moncada] Major Ortega is involved most seriously in this matter because he spoke with the Salvadoran guerrillas. In addition, he got in touch with the other captains about getting hold of the SAM-7 and SAM-14 rockets, which, according to the investigation, were delivered to the Salvadoran guerrilla known as Rodrigo. This is Major Ortega.

[Ortega] My name is Major Odell Ortega. I am an Air Force pilot and chief of the brigade stationed at Punta Huete. I am here to report what really happened. The other officers and I acted on our own and voluntarily [words indistinct]. I also want to say that at no time were we motivated by the desire for money or did we deliver the rockets. As revolutionaries, we feel responsible for expressing solidarity with the people of the Salvadoran revolution. To me, this solidarity with their situation is a principle we cannot renounce. I want to make clear that we did this on an individual basis. I will now tell how we did it.

You will see that it was necessary to confiscate the missiles because of the delicate nature of the materiel. When I was in command, I became familiar with how these missiles were handled and thought about how we could carry out such actions. I received a phone call at my home at the end of September. I cannot say exactly when. The person, who identified himself as a member of the FMLN, told me that he wanted to see me and explain the situation to me. He referred to the war in El Salvador. We made an appointment to meet at Montoya. I drove to the place and parked my car. The men identified themselves. I told them we should not meet at that particular corner and that we should go elsewhere. They wanted to go to Managua because they wanted to protect their identities. As we drove by, they told me about their need to counter the strikes that the Salvadoran Air Force had been dealing. Before this, however, they told me about the difficulties and the suffering that the population and the combatants were experiencing. They told me the suffering was great and proceeded to brief me on the situation. I then told them that I had no means to correct this situation. They argued that I was an officer and that they knew that I and other officers had an organization and could look around for a solution. I told them I would investigate the possibility and that they should call me again. [words indistinct]

In truth, the situation worried me. I began to think about the impact of an air strike. I know what this means. I felt the same fears when our helicopters were shot down and our officers and soldiers were killed. That was something to ponder. [Words indistinct] the antiaircaft regiment and explained the need to provide help for the Salvadoran brothers. I told him what was needed to counter the air strikes and bombings of their own positions. He [not further identified] told me the situation was dangerous. I told him that it was his decision and that he should let me know if he was going to support the idea. Otherwise, I would report to the Salvadorans. The situation was then clear. He told me that he would see what he could do. I visited him later and [words indistinct]. Miguel is also a man of principles. I want to make it clear that I met these officers during operations over the past 10 years of the war. [passage indistinct]

[Urtecho] I am Captian Donald Argenal Urtecho, Sandinist Air Force pilot. I am here to report on the delivery of the surface-to-air-missiles to the Salvadoran guerrillas. In this case several of my comrades in arms were involved. The Salvadoran guerrillas told us about the criminal bombings of the Salvadoran people by the Air Force. The guerrillas required a different way to respond. Through Major Ortega, they presented their case. I agreed because of the revolutionary principles I will never renounce. Captain Parrales delivered 16 missiles to me. The missiles were then given to Odell Ortega, who was supposed to deliver them to the Salvadoran guerrillas. There was never any talk about selling the missiles. I have known Major Ortega during the 10 years of the war. [end recording]

EPS Rejects Officers' Actions

PA0501134791 Managua Radio Sandino in Spanish 1200 GMT 5 Jan 91

[Communique issued by the Office of the Commander and the Staff of the Sandinist People's Army in Managua on 4 January—recorded; read by Colonel Hugo Torres]

[Text] In view of the public statements issued by the officers arrested for trafficking Sandinist People's Army [EPS] weapons, the Office of the Commander and the Staff of the EPS, hereby clarifies the following:

1. Under no circumstances it is fair or moral to act against the military institution, its commanders, or its comrade in arms to illegally remove Army weapons and provide them to any guerrilla movement, regardless of how just its struggle may be considered to be.

2. During the Sandinist administration, it was clearly established that revolutionary solidarity must be promoted through serious political and diplomatic negotiations, such as the Esquipulas negotiations and others. That administration never approved of military personnel acting arbitrarily to express solidarity from a subordinate position.

3. The members of the EPS who work within the country's Constitution and laws to promote the EPS' institutional and professional process—something that strengthens peace in Nicaragua and the Central American region—are the true military personnel who have revolutionary principles, not this small group of officers who, blinded by their political passions and extremist arguments, have injured the military's honor and gone against the loyalty due to the institution and its commanders. This action is the equivalent of injuring the patriotic and revolutionary interests of a Nicaragua that continues making efforts to consolidate the peace and stability so necessary for reactivating the economy and satisfying the urgent needs of the humble and hard-working people.

4. The EPS fully trusts in the patriotic and revolutionary spirit of all its members. This will serve to strengthen discipline, professionalism, and the integrity of our military institution and to reject any proposals concerning supplying weapons from movements or individuals who, instead of contributing to peace, obstruct it with these types of pacts and actions.

Managua, 4 January 1991.

D. Ortega Cites U.S. Pressure

PA0501200091 Panama City ACAN in Spanish 1752 GMT 5 Jan 91

[Text] Managua, 5 Jan (ACAN-EFE)— Former Nicaraguan President Daniel Ortega charged today that the United States is exerting pressure on Nicaragua and the Soviet Union to produce a change in the Nicaraguan Military High Command and to force the removal of Soviet-made SAM missiles from the Sandinist People's Army [EPS] arsenal.

During a news conference held in Managua, Ortega said that the U.S. Administration has been exerting pressure because in October last year, 28 missiles were removed from the EPS arsenals and later sold "illegally" to the Salvadoran guerrillas.

Ortega said: "If the U.S. Government succeeds in producing changes in the military command and in having the Soviet missiles removed from this country, higher interests, including the country's defense capabilities, would be in danger."

The Sandinist leader did not reveal the number of antiaircraft missiles supplied by the Soviet Army to the Nicaraguan Army, but noted that "they were enough" to defend the country, given the support the United States was giving to the former contras, and in case of a U.S. military attack.

According to Ortega, the United States has been encouraged to intensify its pressure by the "irresponsible" attitude of EPS officers who "feeling more revolutionary than the leaders of the Sandinist National Liberation Front" [FSLN], removed the missiles from the EPS arsenals.

Ortega said that the FSLN, the opposition's most important party, has not renounced to its solidarity with the revolutionary cause of the Salvadoran people, but explained that he does not approve of the action by Army officers who removed the SAM missiles, because it was "an act of indiscipline that no army can tolerate."

As an example of solidarity with the guerrillas, Ortega said that in November 1989, when the Farabundo Marti National Liberation Front of El Salvador pushed for a military offensive against the Salvadoran Government, two airplanes carrying missiles the Salvadoran revolutionaries had acquired took off from Nicaraguan territory.

One of airplanes crashed on Salvadoran territory, but the other reached its destination.

Further on Internal, External Pressure

PA0601201791 Panama City ACAN in Spanish 1508 GMT 6 Jan 91

[Text] Managua, 6 Jan (ACAN-EFE)—Daniel Ortega, former president of Nicaragua, has admitted that the Sandinist military is under internal and external pressure after what has been described as "the missile crisis" broke out in Nicaragua six days ago.

The trigger of the crisis was the theft of 28 Soviet-made surface-to-air SAM-7 and SAM-14 missiles by Sandinist People's Army [EPS] officers which surfaced in the hands of the Salvadoran guerrillas.

The first consequence of this "political mistake and breach of discipline by Sandinist officers, which is not a revolutionary action," as Ortega said, has been unrest in the leading Nicaraguan opposition party's rank and file.

The 19 July Sandinist Youth, the Sandinist National Liberation Front's [FSLN] radical youth organization, has released a communique criticizing the EPS High Command's stand with regard to the officers who stole the sophisticated arms.

Leaders of the ruling National Opposition Unity, which is comprised of 14 parties and which took Violeta de Chamorro to the Presidency, have said that General Humberto Ortega, Army commander in chief, would have already been removed in any other country as a result of such a missile "scandal."

Daniel Ortega has reported that, in addition, the U.S. Government has begun "pressuring" the Nicaraguan and Soviet Governments into removing from Nicaragua the missiles that the Soviet Army supplied to the Nicaraguan Army until 1989.

According to the Sandinist leader, the United States has demanded that the administration of Violeta Chamorro remove from office the remaining EPS leaders.

With regard to the theft of the missiles, the Soviet Foreign Ministry has expressed the hope that the Nicaraguan authorities "will take the necessary measures to prevent a future occurrence of such incidents, which are absolutely unacceptable to us."

Ortega pointed out that the U.S. pressure is being applied at a time when both the number of men and the budget of the Nicaraguan Army are being reduced while other armed forces in the area are being bolstered.

In addition, Ortega said, the United States intends to leave Nicaragua without antiaircraft defenses and to disarm the EPS.

A Soviet delegation is already in Nicaragua taking an inventory of the missiles that the Soviet Army delivered to the Nicaraguan Army.

Ortega declined to disclose the exact number of surface-to-air missiles that the Soviets supplied to Nicaragua. He said, however, that the number "was adequate" to defend the country even from a U.S. military invasion.

The former president pointed out that the U.S. pressure is untimely, because "any factor of instability introduced now would aggravate the crisis in the country and render useless the progress attained between the government and approximately 20 organizations with the concerted effort agreement signed on 26 October."

He attributed the criticism that Sandinist sectors have leveled against the EPS commanders to "ignorance" of what the FSLN's commitment to the Salvadoran revolutionaries has been.

All the same, the Sandinist leader condemned "the undisciplined action" of the officers who stole the missiles.

Finally, he said that the Sandinist leadership has already gotten in touch with the Farabundo Marti National Liberation Front's leaders, that the two organizations have agreed that "this breach of discipline" harms the interests of the Nicaraguan and Salvadoran revolutions, and that the Salvadoran guerrillas will look into this situation.

Foreign Minister Discusses Missile Shipment

Claims Sale Isolated Incident

PA0401200391 Managua Domestic Service in Spanish 1410 GMT 4 Jan 90

[News conference by Foreign Minister Enrique Dreyfus with unidentified reporters on 4 January; place not given—recorded; broadcast in progress]

[Text] [Dreyfus] ...the full weight of the law will fall on any Nicaraguan or foreigner found to be involved in this. There is a decree that was approved by the National Assembly in October. This decree establishes penalties for national and foreign citizens found to be involved in actions aimed at destabilizing the Central American region. The penalties range from three to 10 years in prison.

[Reporter] Mr. Foreign Minister, does this mean that the Chamorro administration believes this is an isolated incident and that the military high command is innocent, that this will not happen again, and that the government has control over the Army?

[Dreyfus] Definitely. This happened without the knowledge of or the approval from the Army high command. No Army likes corruption within its forces, or the violation of international commitments and of its own commitments.

This is why the Army is interested in publicizing the entire investigation process, as it has done it through communique No. 1 of this year.

[Reporter] Do you think this could somehow affect Nicaragua's relations with neighboring countries where guerrilla movements operate because those countries could feel threatened?

[Dreyfus] Nicaragua has actively promoted what is known as the Security Commission, which will hold its fourth meeting during the first week of March. That meeting will be attended by the deputy foreign ministers of the five Central American countries as well as by representatives and deputy ministers of defense and government and by representatives from the high commands of the various Central American armies. The purpose of the meeting is to coordinate the search for what has been called the dividends of peace. Dividends of peace are nothing but the resources that will become available as a result of the adequate reduction of defense budgets and the utilization of these resources on health and housing programs.

[Reporter] Mr. Foreign Minister, will the Soviet-Nicaraguan agreement be renewed?

[Dreyfus] I think the agreement will be in effect as long as those arms, the missiles, are here. This is not a matter of renewing, but of an agreement that is in force as long as there are missiles here. On the one hand, we have

missiles that were supplied to the Nicaraguan Government at that time, and on the other hand there are missiles that were supplied by other countries to the Nicaraguan resistance. We believe we must take an inventory of all the missiles to establish how many are there, and to make this information public.

This is a way of preventing people without scruples and people who are taking advantage of the humanitarian feelings of Nicaragua and the Chamorro administration—which has granted political asylum to people who, for political reasons, have sought refuge in Nicaragua—from committing this kind of abuse.

[Reporter] Does this mean that the Nicaraguan Government will change its policy for Salvadorans who live in Managua and other parts of the country?

[Dreyfus] All Salvadorans or leaders of political movements involved in warlike activities will be expelled from Nicaragua.

[Reporter] How many, approximately?

[Dreyfus] This is not the first time this has happened in Central America. Something like this happened when President Arias was working for peace in Nicaragua. He told a Nicaraguan resistance leader to stay in Costa Rica and not get involved in political activities, or leave the country if he wanted to be involved in such activities.

This is a similar situation. If a foreigner is here as an exile, that person can be involved in political activities, but if he is going to get involved in warlike and destabilization activities that go against the commitments that Nicaragua and the rest of the Central American countries have made during the Esquipulas Agreement, then that person will be either expelled or punished according to the law.

[Reporter] Does this mean that leaders of the Farabundo Marti National Liberation Front [FMLN] will not be able to come to Nicaragua because the FMLN guerrillas are fighting the Salvadoran Army?

[Dreyfus] I see that you are interpreting this as you see fit, right?

[Reporter] [Question indistinct]?

[Dreyfus] Some people are getting involved in warlike activities and they are not going to be welcomed in Nicaragua.

[Reporter] Mr. Foreign Minister, do you believe...

[Dreyfus, interrupting] Excuse me. It is inconsistent to work for peace, democracy, and development throughout Central America and then allow people who have been given asylum for humanitarian reasons to abuse their privileges by getting involved in activities that go against the commitments of a country. This is completely absurd and inconsistent.

[Reporter] Mr. Foreign Minister, do you know how many Salvadorans live in exile in Nicaragua.

[Dreyfus] The Foreign Ministry does not have that information, but the Immigrations Department should have it.

[Reporter] What will happen to the missiles? Will the agreement be renewed when we no longer have any more?

[Dreyfus] The agreement is in force for as long as the missiles exist. There is a certain amount of missiles. What we have to do is to take inventory and find out how many missiles we have, how many were supplied to the Army, and how many were supplied to the resistance. This is what the security commission will be doing, and not only in Nicaragua, but in all the Central American countries, because one way of preventing the illegitimate use of these tools for the defense of the sovereignty is to tell the people what each country has. This is one of the objectives of this commission.

[Reporter] Do you think that the Salvadoran Government will understand that what has happened is not a result of Nicaraguan policy?

[Dreyfus] I think so. Definitely. I have reports that the Salvadoran Army has already made a positive statement with regard to the attitude and honesty with which the Nicaraguan Government and Army has dealt with this matter.

[Reporter] You have said that Salvadoran Army elements have reacted positively with regard to the position of the Nicaraguan Government and Army. Who are you referring to?

[Dreyfus] I think there is a document clarifying this.

Views Possible Firing of H. Ortega

PA0501013691 Paris AFP in Spanish 0041 GMT 5 Jan 91

[Text] Managua, 4 Jan (AFP)—Nicaraguan Foreign Minister Enrique Dreyfus brought up today the possibility that General Humberto Ortega may be dismissed as chief of the Army because "in the final analysis, he is responsible" for the illegal sale of missiles to the Salvadoran guerrillas. Upon his return to El Salvador, where he met with Salvadoran President Alfredo Cristiani to discuss the shipment of weapons, Dreyfus concurred with Vice President Virgilio Godoy, who in brief remarks to the media said Ortega "must be dismissed from his job." "Godoy's views are right," because the missiles case "constitutes a slap in the face of President Violeta Barrios de Chamorro and the Nicaraguan people," Dreyfus said.

The Nicaraguan Army admitted on 1 January that some officer had "illegally" sold weapons to the Salvadoran guerrillas, after the Soviet Union confirmed that one of

the missiles taken from the rebels in El Salvador belonged to a lot delivered to the Sandinists.

Since taking power in April of 1990, Chamorro has had to cope with multiple complaints regarding Ortega's remaining as chief of the Army, a post he held in the previous Sandinist government.

Chamorro, who as president also holds the job of supreme commander of the Armed Forces, has reiterated that his stay in that post is temporary. However, observers now feel that the case of the missiles could accelerate her decision.

Comments on Return From El Salvador

PA0501172591 Managua Domestic Service in Spanish 1425 GMT 5 Jan 91

[Report on statements by Foreign Minister Enrique Dreyfus upon his return from El Salvador at the Augusto Cesar Sandino International Airport in Managua on 4 January—recorded; broadcast in progress]

[Text] [Dreyfus] ... San Salvador, on President Violeta de Chamorro's specific instructions to explain to President Cristiani the recent and well-known events concerning the 26 SAM-7 and SAM-14 missiles that were stolen without the knowledge of either the government or the army and delivered to the Salvadoran guerrillas.

This was a difficult mission. Nevertheless, President Chamorro and her government believe that when mistakes are made it is important to face and deal with them directly. This mistake concerns telling the government of President Alfredo Cristiani that the abuse of asylum and refuge that Nicaragua has granted to members of the Farabundo Marti National Liberation Front [FMLN] was completely involuntary. In other words, Nicaragua in this instance violated two international agreements, a violation which is very serious for our country's international credibility, particularly considering Nicaragua's economic situation in which credibility is extremely important.

The commitment that Nicaragua made at Esquipulas not to let its territory be used for subversive actions was violated. The treaty that Nicaragua signed with the Soviet Union through the Nicaraguan and the Soviet armies stipulating that the missiles in the possession of the Nicaraguan Government are not to be used by third parties, except through written, specific, and explicit authorization from the Soviet Army, was also violated. As you know, the govermment, through the Army, has requested that a Soviet delegation come to check and confirm the presence and number of the missiles in Nicaragua. The government is determined not to let anything or anyone stand in the way of the commitment that the government of President Chamorro has made with the Nicaraguan people and the international community to guarantee peace, reconciliation, and democracy in Nicaragua and the region.

This is the problem with the FMLN. Just like our original political problem grew up to such an extent that it spread to Central America and led to the Arias plan, Esquipulas, and the whole process, the internal political problem in El Salvador and the FMLN have become a Central American problem. This is why at the summit meeting held in Puntarenas recently all of the presidents repudiated violence and urged the conflicting forces to hold talks, following Nicaragua's example. On one hand, efforts are being done to settle the political problems in the area through a dialogue and, on the other, we have incidents like this that lead to confusion and gross and serious mistakes that harm Nicaragua and the entire area.

It is in this context that we approached the problem. President Cristiani understood the situation and expressed appreciation for this gesture by President Chamorro to transmit all of the information available so far on the case. We assured him that the violation both of the Esquipulas accords and the accord with the Soviet Union were completely involuntary. We reassured President Cristiani of our determination to handle the matter in an open, an above-board manner. It was in this spirit that I visited him and took the necessary documents so that he and his advisers could see the actions that I and the Nicaraguan Army have taken, and regarding this, the Salvadoran Army has issued a communique praising the correct stand of the Nicaraguan Army.

[Unidentified report] Minister Dreyfus discussed the status of the Salvadorans residing in Nicaragua. If they are nationalized and violate the law, they will be prosecuted as Nicaraguans would. If they are refugees, have sought asylum, or are in the country illegally, they will have to be expelled.

[Dreyfus] Here there are—and this is a well-known fact, because we all see of them—a large number of Salvadorans, some of which are refugees, others have sought asylum, and still others are here illegally.

I believe that some people are abusively taking advantage of the spirit of respect for human rights, of the humanistic spirit that characterizes Mrs. Chamorro and her government, and those people have promoted corruption in the Army and disregarded Army dispositions. I think this is an abuse. I frankly believe that this is like slapping the face of a person who is offering a helping hand to someone in disgrace.

Everybody knows that there is an Esquipulas Agreement that was signed several years ago by the previous government and that has been ratified on two occasions by the Chamorro administration, in Antigua and in Puntarenas, but the gentlemen involved in this have disturbed the setting and placed Nicaragua in an unwarranted situation of disrespect.

This is why I have said that no one and nothing will keep Mrs. Chamorro from continuing her effort to pacify, to

reconcile, to install democracy, and to reactivate the economy of Nicaragua. This is the mandate she received from her people.

This was not only a slap in the face to Mrs. Chamorro and her government, but also to the Nicaraguan people because she was given the specific mandate to bring peace to Nicaragua by the people.

First, we have to establish to what extent the arrested people are involved. Second, this case has to be handled according to the law. This is a government of law and order. There are laws and there are legal processes for this case to be handled by either civil or military courts.

The status of these people is important. I have seen in the gazette a list of approximately 500 Salvadorans who have acquired Nicaraguan citizenship. Therefore, it is Nicaragua's law that is applicable to them, not the laws of El Salvador.

I suppose that there are some people who have no legal documents and that others are here as refugees. In El Salvador I was told that in Nicaragua there are 400 Salvadorans who have reported to the UN High Commission for Refugees and want to be repatriated. This is a matter of putting things in order.

This is no witch-hunt. Let this be clear. That is over. Past history.

The idea is not to let anyone in Nicaragua act with impunity or put the country in a position that violates international agreements. This is a very ugly situation for a serious government like Mrs. Chamorro's and no one is going to tolerate it.

Office Created To Check Ministry, Police Abuses

PA0501032691 Managua LA PRENSA in Spanish 3 Jan 91 pp 1, 12

[Roberto Orozco B. report]

[Text] The creation of the Civil Investigations Office [Inspectoria Civil] is one of this year's priorities for the Nicaraguan Government Ministry. This new institution will be in charge of investigating irregularities and violations committed by Government Ministry officials.

Frank Cesar, chief of the Government Ministry Information Directorate, yesterday confirmed the creation of the new office. Cesar asserted that the Government Ministry only needs to implement the plan, because the ministry has already chosen the civilian who will head the new office.

In addition, Cesar confirmed that in 1991 the government will also create the National Narcotics Department [Departamento Nacional Antidroga], which will be coordinated by the National Police General Directorate headed by Commander Rene Vivas.

The Government Ministry official added: "We will have difficulty creating this department because of the budget that has been assigned to us. In the beginning, it will be a small office."

It was unofficially learned on 2 January that the uniforms of members of the National Police will change this year. The police emblem, however, will remain unchanged until a new one is chosen. There is currently a contest underway to choose a new police emblem.

Taiwanese authorities will provide the new uniforms, which include a light blue shirt and blue pants similar to those worn by Venezuelan policemen.

New patrol cars are currently circulating in the streets of Managua. The patrol cars are dark blue and on the side they bear the initials of the National Police General Directorate. According to information obtained yesterday, Venezuela donated the patrol cars.

Daniel Ortega To Meet Saddam Husayn in Iraq

PA0701022391 Mexico City NOTIMEX in Spanish 0000 GMT 6 Jan 91

[Text] Managua, 5 Jan (NOTIMEX)—Former Nicaraguan President Daniel Ortega said today that "the U.S. Government has a positive attitude" and that "there are hopes for peace" in the Persian Gulf.

Ortega, who is working to resolve the Mideast crisis peacefully, will be going to New York tomorrow to meet with UN Secretary General Javier Perez de Cuellar.

The former Nicaraguan president will then visit the Middle East for a second time. On Tuesday [8 January] he will travel to Jordan, and on 11 January he will go to Baghdad, where he will meet with Iraqi President Saddam Husayn and other Iraqui authorities.

The former Nicaraguan president said that "the U.S. Government has expressed a positive attitude by not rejecting the peace initiative." He noted that the United States "is not in favor of war, but it has committed itself to such an extent that it has no other option open."

Ortega's proposal during his first visit to Iraq, a proposal that was supported by Europe's leaders, called for the gradual withdrawal of Iraqi troops from Kuwait and the establishment of "acceptable " arbitration to establish border limits between Iraq and Kuwait.

This proposal also called for the total elimination of heavy weapons from the area and for an international conference on the Palestinian problem and the territory occupied by Israel.

Ortega said: "There are no conditions. It is an appealing proposal." He noted that if this proposal is accepted, foreign troops could leave the gulf and the economic sanctions against Iraq, which negatively affect the Iraqi people, would be suspended.

Ortega said that the forthcoming meeting between Iraqi Foreign Minister Tariq 'Aziz and U.S. Secretary of State James Baker in Geneva, Switzerland, Wednesday "creates hope, although we cannot create for ourselves the illusion that an agreement will come out of that meeting."

U.S. President George Bush had proposed a meeting between the leaders of U.S. and Iraqi diplomacy in Geneva, but cautioned that no concessions will be made to motivate Baghdad to abandon the emirate it occupied on 2 August 1990.

The UN ultimatum for Baghdad leaving Kuwait expires on 15 January. The UN has authorized the use of force against the Iraqi troops if they do not leave the invaded territory by then.

In November of last year, Daniel Ortega stayed in the Persian Gulf region for 35 days and met with the leaders of Algeria, Jordan, the Palestinian Liberation Organization, Yemen, and Iraq, representing an effort of the Nicaraguan people toward peace and international law.

Fourth Cuban Takes Asylum in Costa Rican Embassy

PA0501182391 Panama City ACAN in Spanish 1727 GMT 5 Jan 91

[Text] Managua, 5 Jan (ACAN-EFE)—News sources reported today that a Cuban has taken refuge in the Costa Rican Embassy in Managua after pretending to have gone to the Colombian island of San Andres, where he supposedly requested asylum from the authorities.

Fausto Mambes Ramirez, 43, an anesthesiologist, requested asylum at the Costa Rican Embassy in Managua yesterday. He is the fourth Cuban to request asylum there.

Mambes Ramirez was scheduled to return to Cuba on 22 December after completing his medical mission in Bluefields, on Nicaragua's Caribbean coast. Instead, he hid in the home of friends in Managua.

The Cuban anesthesiologist, who has been in Nicaragua for the past five years, said he decided not to return to Cuba because he is "a dissident from the regime that is suffocating an entire people before the impassive eyes of the world."

Mambes, who was a member of a mission of 167 Cuban technicians and doctors, also said that one night he escaped injury after being fired upon by a group of masked men travelling in a Soviet-made Lada automobile.

"I have endured terrible moments," the Cuban said. He added that he was saved from death by the arrival of a military patrol, which caused his pursuers to flee.

Panama

PRD Deputy Rodriguez Views 'Intelligence Work'

PA0501231091 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Jan 91 pp A-1, A-2

[Report by Claudio Herrera J.]

[Text] PRD [Democratic Revolutionary Party] Legislator Horacio Rodriguez has said that the national government is trying to make the people focus their attention on a single person, Menalco Solis, as the only one responsible for the intelligence work conducted by the National Security Council, and to overlook "something even more dangerous, the fact that the CIA is training espionage groups."

Rodriguez, the only opposition legislator in the commission which will look into the Security Council's activities, has called attention to two intelligence groups that work in the national government: one in the police, the D-2, and the other at the Presidency.

The creation of the two groups, which the opposition politician described as "an alarming situation," has led the Assembly to designate an ad hoc commission to investigate the Security Council's operations.

Rodriguez regards the two agencies as dangerous for peaceful coexistence and personal rights. "There is even mention of investigating everyone and tapping telephones," he said. He warned of "a regime of terror" if these agencies are permitted to run wild.

The legislator also insisted on the need not to let the CIA, based at the Presidency, operate within the Panamanian Government by training intelligence and espionage agents.

The ad hoc commission, which was installed yesterday at the Assembly office in the reverted area of Ancon, is made up of Gloria Moreno de Lopez of the PDC [Christian Democratic Party], who is chairwoman, Alberto Cigarruista of PLA [Labor Party], and Leo Gonzalez of Molirena [Nationalist Liberal Republican Movement], among others.

Rodriguez is alternate legislator for Legislator Gerardo Gonzalez. The positions he held during the governments of the so-called military process include that of director of the Agricultural Marketing Institute.

Commentary Supports New Intelligence Office

PA0501130491 Panama City EL DIARIO INDEPENDIENTE in Spanish 3 Jan 91 p 4

["The Editor's Opinion" column: "Who Is Wearing the Mask of the Noriega Regime?"]

[Text] According to the precepts of our Constitution, the president is the top commander of the Public Force. No

other official is above the president in terms of hierarchy, command, or the power to decide who will be tasked with protecting the Constitution, the laws, public order, and state security. The experience Panamanians have had over the years indicates that intelligence offices—which in the past have always been in the hands of military or paramilitary organizations—have inevitably become centers for eavesdropping, intimidation, and espionage into the public and private lives of citizens; that is, during times when it was not an instrument of terror to deprive citizens of their rights. To think that this could happen again under the responsibility of the person whose major objective consists of preserving democracy and the existence of the established institutions is an act of bad faith or the most insidious politicking.

The national government has had the good judgment to create a Public Security and National Defense Council to gather information conducive to uncovering, with prudent anticipation, conspiracies, rebellions, and coups aimed at destabilizing democracies and replacing the authorities through violent means. Two things must be said in favor of this bill, which has not seen the light of day yet: 1. We must snatch it from the volatile hands of the military; 2. We must place this office under the supreme command of the highest civilian official of our democratic system.

In the midst of crass and shameless military attempts to seize power, and in a heated sea of unbridled aspirations and ambitions, it just so happens that even before the office has begun to operate, irate and suspect voices want to undo it. Ironically, some of those voices come from sectors that openly sided with the plans of the seditious military. The pretext for opposing this office and the operations of the Public Security and National Defense Council, which is directly headed by the president, cannot be more specious because it is based on the fact that the subordinate official who was going to be the executive secretary of the council was a minister of the Ardito Barletta government.

Ironically, we find that the spokesmen for such a distrustful and weak argument are precisely the people who were tied to the umbilical chord of the dictatorship and persecuted those of us that fought for democracy until the last moment before the fall of the dictatorship. Who are these false apostles fooling? Luckily for Panamanians, the president, whom some regard as unconcerned and lacking in political savvy, was the first to debunk this fabrication.

With the same courage he displayed when facing Noriega's hordes, he has disclosed to the public two very important things:

1. The critics of the Public Security and National Defense Council are really concerned because this agency is not in the hands of the police;

2. The president has headed this intelligence office with a man who has the confidence of the head of state.

(To be continued) [as published]

PRD's Castillo Arrested Over Funds Dispute

PA0501182591 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Jan 90 pp 1, A-2

[Text] Elias Castillo, legislator for the Democratic Revolutionary Party (PRD), was arrested yesterday at his home.

Attorney General Rogelio Cruz ordered Elias Castillo to remain in the country last week. Castillo has been accused of mishandling public funds during his tenure as municipal treasurer by Panama City Mayor Guillermo Cochez.

Last night Castillo was at the Judicial Technical Police installations, and according to the authorities, "there was sufficient reason to order his detention."

Planning, Economic Minister Defends Position

PA0401233491 Panama City LA PRENSA in Spanish 31 Dec 90 p 15-A

[Report on interview with Guillermo Ford, planning and economic policy minister, by Dorita de Reyna from LA PRENSA in Panama City; date not given]

[Excerpts] [Passage omitted] LA PRENSA's economic section wanted to send 1990 off by bringing to our readers a report on an exclusive interview with Guillermo Ford, planning and economic policy minister, in the wake of his 28 December address aired on several radio stations that some have interpreted as a "mea culpa."

Ford, with his well-known voice and energetic gestures, starts the conversation by saying that his address in no way was a "mea culpa." My intention, said Ford, was to send a message of optimism. What I wanted to say was: "Gentlemen, we should stop criticizing, we should stop fooling around, we should get down to work together and get ahead with our business."

The criticism leveled against the government's administration in general, and to each institution individually, was mentioned. It was noted that Guillermo Ford, as head of the Planning and Economic Policy Ministry [Mippe] has been criticized. One of the criticisms made is that he refuses to surround himself with economic advisers who could help him better plan the nation's economy.

"I have never turned down unbiased suggestions made—not to the minister but to the nation—by persons who know what they are talking about and who can help us establish a sound economic policy." Ford added that in his ministry there are numerous qualified economists who "know more and are more down-to-earth than those who go around criticizing and who attempt—not advise— to replace the minister. I will not allow this." Ford said: "I do not want to give any names," but there have been many known cases of groups trying to get

under the ministry's umbrella. "While I am in charge, there will only be one minister."

Mention was made of a forum, where an economist openly stated that the government's economic policy was in the hands of several political parties which sabotage each other's tasks, thereby hindering the nation's economic policy.

Ford replied that party politics has not had an impact in the drawing up of the economic programs, "much less in their implementation." He explained that his ministry coordinates the establishment of programs based on the information supplied by the several ministries and institutions. Ford gave the budget as a specific example: "The Mippe does not draw up a budget on its own, for itself, whimsically; it takes into account all the institutions' needs, voices its opinion and then puts together a balanced budget." [passage omitted]

[Passage omitted] Ford points out that in Panama there is some kind of "clique in which a sort of jealousy prevails." He describes this situation as the government officials' fear of "being deprived of what they have." He said that this fear is groundless because "the executive makes no suprise decisions. Everything is considered and then taken to cabinet meetings, to which the directors of autonomous institutions are invited." In his usual energetic style, Ford also says that no biased obstacles in the way of the fulfillment of specific projects can be allowed. "Otherwise, each minister, director, or manager would do whatever he wants. As a result, the country would work haphazardly, which in turn would make the country bog down."

Taking up his words, I tell him that this is precisely the Panamanian people's view. A kind of drowsiness, the result of internal conflict and political interplay, can be sensed. These factors have disrupted the country's economic well-being one way or another. There is a feeling that 1990 was a lost year.

I see he is a little annoyed. It is in this tone of voice that he remarks: "A fool causes more harm than an earthquake." In this way, he refers to the fool as one who is uninformed, a person "who does not try to find out but speculates about things instead." Ford says there were great expectations in the wake of "the overthrow of the dictatorship," but that the "thinking, wise people" should realize that substituting for a dictatorship is an extremely complex process. In addition, he says, all of the officials were new and inexperienced. It was also necessary to define the parameters of a total reconstruction, including, of course, the economy. "Also, some of us, myself included, were inexperienced."

Ford believes that during the past year, there has been an "extraordinary" relationship between his ministry and other institutions, especially with the cabinet ministers. He said: "There is a team awareness. We have worked silently to resolve problems without bringing them to the public's attention, so that what we start doing from 1 January will be felt by the community."

He added that this effort is the sum of several factors, "because it is very hard to correct mistakes." He said that this past year has been very trying, "but that the country has made great gains," and that "the development that we will see is due to those gains."

Ford said: "It is perfectly clear where we are headed, what we have, and what remains to be done."

Ford admits, however, that there has been frustration, "because of the National Government lacking constant information in all areas."

He stressed: "It is the government's greatest shortcoming. Despite the many press conferences, the media's support, and the frequency with which officials of the different institutions make statements, there is no coherent policy to permanently transmit what is being done." He added: "Information is being transmitted in many different ways, and the people do not know what the government, as a whole, is doing."

Minister Ford said: "I feel great satisfaction. Now there will be no improvisation, and the margin for error will be very limited. The people will notice the difference."

Minister Ford was asked about the program of privatization announced by the national government since it first assumed power. Ford said he has instructed Ricardo Brin, President of the Privatization Commission, to speed the privatization of certain enterprises that are competing unfairly with the private sector, and which are a constant drain on the government, which has to subsidize them to keep them operating. He said that this is not "a process of reducing the government payroll, nor a way to make some easy dollars."

Ford said that he is a natural optimist, but "that he is also realistic." He said that unemployment in Panama has decreased from 31 to 20 percent. Although during the first three months of 1990 the economy decreased, during the last nine months it grew by more than six percent, "one of the highest rates of increase in Latin America."

He said that he feels optimistic about these figures because "they do not even include public investment programs, the dynamic of the private enterprise, or the construction sector, which are fundamental to the economy of any country."

He said that the Mippe's goal is to decrease unemployment to 12 percent. He said: "However, we have to distribute income equally to all sectors." He said that there is a trend toward viewing the unemployment problem only in Panama, Colon, and San Miguelito. He said: "Those people who do not travel to the interior of

the country cannot see the overwhelming unemployment problem there." He promised a program "to generate jobs for the interior of the country."

Ford said: "I see 1991 with great optimism, to the extent that there is social peace in the country that will allow us to invest, attract foreign investments, and speed the implementation of the economic program with the modifications that we must make."

Finally, he said that, as vice president and minister of planning and economic policy, he does not support the status quo. He said, "the worst thing we can do....is to do nothing,."

Argentina

Ministries Disagree on Departure of Gulf Plane

PY0501144891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1334 GMT 5 Jan 91

[Text] Buenos Aires, 5 Jan (NA)—The plane that will fly to the Persian Gulf to evacuate Argentine residents in that region is presumably scheduled to depart on 8 January. This decision has caused a dispute between the Defense and Foreign Ministries.

The dispute began when the question of the departure date for the Boeing airplane arose. While [Defense Minister] Humberto Romero stated on 4 January that the plane would depart "within a week," the Foreign Ministry wanted the trip to be made on 15 January, the date the UN ultimatum on Iraq leaving Kuwait expires.

Foreign Minister Domingo Cavallo's argument for the delay is based on the fact that the conflict could still be resolved through diplomatic channels and even if this fails, there is always a 24-hour truce between belligerent countries to evacuate civilians, a period of time during which air routes remain open for humanitarian reasons.

San Martin Palace also argued that if the trip was made immediately, there is the possibility that many Argentines would not want to leave their assets until they had confirmed that war had broken out; therefore, a second trip would be necessary.

Defense sources have said that Minister Romero "did not want to be held responsibile for any deaths in the region and this is why he decided to bring the plane's departure forward." The sources also said that Romero "will not go back on his decision unless he receives a formal request from the Foreign Ministry or a written order from the executive branch."

The plan provides for the evacuation of 150 Argentines who live in the countries that would be harmed if a Persian Gulf war explodes on 15 January.

Menem Claims Falkland Islands 'Still Ours'

PY0601210891 Buenos Aires TELAM in Spanish 1543 GMT 6 Jan 91

[Text] Mar del Plata, 6 Jan (TELAM)—President Carlos Menem stated today that the Malvinas Islands are still ours.

Menem said that for some years we Argentines have thought that the country only consists of the area of our birthplace. In fact, he added, geographically Argentina has more than 3 million square km, including the Argentine Antarctic and the Malvinas Islands in the South Atlantic, which are still ours.

These remarks, which the president made at noon today on the wide sidewalks of the Hotel Dos in Hapadmalal, were received with expressions of joy and applause from the people who were closely listening to his comments on a stormy day.

Joint Chilean Energy Exploration Project Planned

PY0501024291 Buenos Aires TELAM in Spanish 2342 GMT 4 Jan 91

[Text] Buenos Aires, 4 Jan (TELAM)—Officials from Argentina's Government Oil Deposits (YPF) and Chile's National Petroleum Enterprise (Enap) signed an agreement here today for the joint exploitation of the southernmost part of the Argentine sea. The accord will require an investment of $170 million by the Chilean enterprise.

According to the agreement, Enap will exploit gas and petroleum deposits in the so-called Magallanes area. The YPF will not make any disbursement for the investment, although it will receive 50 percent of the profit when the repayment of its debt is finalized.

A communique released today by YPF states that reserves located at the eastern mouth of the Strait of Magellan, an area covering 409 square km, have been estimated at 3.8 million cubic meters of petroleum and 8.396 billion cubic meters of natural gas.

The communique adds that this agreement has been signed within the framework of a new stage in bilateral relations following the meeting between Presidents Carlos Menem and Patricio Aylwin and that the objective is to implement a complementary project in the energy sector.

Dec, 1990 Cost of Living Figures Released

PY0401140091 Buenos Aires TELAM in Spanish 0955 GMT 4 Jan 91

[Excerpt] Buenos Aires, 4 Jan (TELAM)—Planning Secretary Moises Ikonicoff has announced that the cost of living increased by 4.7 percent in December, the lowest figure in the last three years, and this has been achieved "without price controls." Wholesale prices increased by only 0.1 percent (the same increase that was registered in January 1986), and the cost of construction increased by 2.2 percent.

During 1990, retail prices increased by 1,343.9 percent, which is a substantial drop when compared with the 4,923.6 percent registered in 1989. In the case of wholesale prices and to find a percentage lower than December's, we have to go back to July 1985, the month the Austral Plan was implemented, when wholesale prices increased by 0.9 percent. [sentence as received]

Ikonicoff, who held a news conference at Government House, insisted on the effect of costs for private services because if they had not been taken into account, December's cost of living would have been 3.4 percent.

Services increased by 1,941.1 percent during 1990; education was the highest with 2,494.9 percent, followed by housing services with 1,787 percent, and health services with 1,721.3 percent. [passage omitted]

Menem Reacts to Story on Illegal Payment Request

PY0601203691 Buenos Aires TELAM in Spanish 1846 GMT 6 Jan 91

[Excerpt] Buenos Aires, 6 Jan (TELAM)—President Carlos Menem has said that an article published today by PAGINA 12, reporting that an Argentine Government official had requested an under-the-table payment from a U.S. enterprise, represents a gesture or attitude of journalistic delinquency. The article cites U.S. Ambassador Terence Todman's complaint on this topic to Economy Minister Antonio Erman Gonzalez.

A front-page story today in PAGINA 12, which is managed by Jorge Lanata, states that the U.S. ambassador asked Erman Gonzalez about an Argentine Government representative's request for an under-the-table payment from a U.S. enterprise. According to the daily, this prompted the minister to tender his resignation.

President Menem, who returned from Mar del Plata this afternoon, said there are journalistic delinquents, just as there are other types of delinquents. He responded to other questions by reasserting his intention to include people from outside the party on the Justicialist slates for the next national elections. [passage omitted]

Police Thwart Drug Network; Arrest Cartel Member

PY0401204991 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 4 Jan 91

[Text] Police sources have provided details of an operation in which a powerful drug trafficking organization was dismantled.

Moreover, the police have also reported the arrest of a Cali Cartel member who was operating in Argentina. This trafficker was arrested as he was about to leave for Rosario and Parana carrying two kg of pure cocaine.

According to the sources, the arrested trafficker has been identified as (Gerardo Orlando Arevalos), 48, who has been living at 690 Marcelo T. de Alvear Street in Cordoba. He was arrested following investigations that began in early November 1990.

The police discovered that members of that organization, which is called Operation CC—the connection between Cordoba and Colombia—were traveling continuously to Colombia, and returning through Buenos Aires to Cordoba. These cities have been used as transit points by those who transport the drugs to Spain.

The police established that one of the suspects that traveled to Colombia returned to Argentina on 29 December. Following this information, the police followed and arrested him in Retiro as he was about to board a bus for Rosario and Parana.

When checking (Arevalos') baggage, it was discovered that one of his suitcases had a false bottom, shielded with aluminum and wood to prevent police dogs from detecting the drugs.

While this trafficker was being detained in Buenos Aires, federal police agents from Cordoba raided several houses in relation to Operation CC. They detained more traffickers and seized drugs and weapons.

Firmenich, Suarez Mason May Face Legal Action

PY0501152891 Buenos Aires LA PRENSA in Spanish 4 Jan 91 p 4

[Excerpts] Fernando Torres, lawyer for former guerrilla leader Mario Firmenich, said yesterday that if Firmenich leaves Argentina he will do so "voluntarily" and not because of the threat of facing pending legal action following his pardon.

Torres said: "All legal cases are prescribed in keeping with the Expiration Law sponsored by former President Raul Alfonsin in 1986 and then approved by Congress."

Justice Under Secretary Cesar Arias told a Buenos Aires radio station that Firmenich and former General Guillermo Suarez Mason, who were pardoned by President Menem on 29 December, were given 30 days to leave the country before pending legal cases were reopened. [passage omitted]

An official source confirmed that Firmenich and Suarez Mason were given 30 days to leave the country.

Arias said: "If Firmenich does not leave the country in 30 days pending legal cases that were not included in the pardon could be reopened and he could be arrested." He said Suarez Mason's situation is "similar" to that of Firmenich. [passage omitted]

Bolivia

Envoy Evaluates Economic Relations With U.S.

PY0501143491 La Paz Television Boliviana Network in Spanish 0030 GMT 5 Jan 91

[Text] Jorge Crespo, our ambassador in the United States, stated today that our country will sign a bilateral agreement with the United States that will encourage economic relations between the two countries.

[Begin Crespo recording] I have given the president a detailed report on the activities of the embassy in Washington; I have also given this report to the foreign minister. I believe the embassy's work has been positive; essentially, the embassy has been able to harvest what our president sowed in his three meetings with President Bush.

As a result of those three presidential meetings, we have been able to change our image as a coca-producing country. Before the presidential meetings we were seen as a cause of the cocaine problem in the United States. Thanks to the president's eloquent explanation of what Bolivia's reality is, they now understand us and respect our idea of alternative development in the sense that the problem here is more of an economic one than one of crime, and that we need development to resolve this problem.

This new idea has been accepted by the United States and by the international community, and it will bring us a series of benefits because I believe we will be receiving concrete aid this year for our alternative development programs.

This is one of the points in our favor, and I repeat, it is the first harvest of what the president sowed.

We have also made progress in the trade sector. The doors to the United States have been opened for more than 70 Bolivian products, which will not pay taxes. We are also preparing the way for the arrival of U.S. investors in Bolivia.

I believe that with all the structural reforms that have occurred in Bolivia during the past year—I am referring to the SAFCO [Integrated Control System of Financial Administration] Law, the General Investment Law, the Hydrocarbons Law, and the Mining Code, which I hope will be approved very soon—we will be able to sign a bilateral investment treaty with the United States. [end recording]

Political, Union Heads Reject Chilean Agreement

PY0401191791 Madrid EFE in Spanish 1959 GMT 3 Jan 91

[Text] La Paz, 3 Jan (EFE)—Bolivian political and union leaders have rejected the restoration of trade relations between Bolivia and Chile within the framework of the Latin American Integration Association. They charge that the Bolivian Government "wants to give away the country" and "to deal a harsh blow" to the 100-year-old demand for an outlet to the sea.

Jorge Escobari Cusicanqui, chairman of the Senate Foreign Affairs Committee, said: "The proposal to resume commercial relations is an old trick of the Chilean Government. It was formulated by former Foreign Minister Joaquin Fernandez in 1943, by former Foreign Minister Olabarroa in 1953, and unsuccessfully proposed again in 1983, 1986, and 1987." On Friday, 28 December, Bolivian Foreign Minister Carlos Iturralde reported that the government had decided to legalize bilateral trade, which represented $150 million for Bolivia in 1989.

Chilean Foreign Minister Enrique Silva Cimma described the upcoming agreement on free commerce that will be signed by the two governments as "an historic blow" for bilateral relations. Escobari, a former Bolivian foreign minister, said: "I believe that this agreement is not an historic landmark but an historic knockdown that seeks to make us forget our demand for a sea outlet." He added that "Chile wants to put the cart before the horse."

Edwin Rodriguez, deputy of the opposition Nationalist Revolutionary Movement, said: "Chile wants us to forget the sea outlet issue and wants commercial relations be intensified because that will expand its presence in the Bolivian market."

Edgardo Vazquez, COB [Bolivian Labor Federation] communications secretary, said: "I would consider it disrespectful to the fatherland and to the people if we give up our international desire for a sea outlet and if we subject our sovereignty to strictly commercial matters."

Vazquez urged workers, lawmakers, and political parties to clarify their positions. "They are either with the fatherland or against our sovereignty and our 100-year-old wish to recover our sea outlet," Vazquez said. Bolivia lost 120,000 square km of land and its outlet to the Pacific during the war with Chile in 1879. On several occasions, the last of them in 1987, it unsuccessfully tried to negotiate its landlocked situation.

Chile and Bolivia held diplomatic relations until 1962, when the unilateral diversion of the Lauca River led the two countries to severe their relations.

Relations were restored on 8 February 1975 when the then Presidents General Hugo Banzer and Augusto Pinochet exchanged the so-called "Charana embrace," which formally marked a period of negotiations to analyze the Bolivian demand for a sea outlet.

Parties To Carry Out Joint Action in Congress

PY0501203291 La Paz PRESENCIA in Spanish 23 Dec 91 p 1

[Excerpt] Condepa [Conscience of the Fatherland] has signed an agreement with the MNR [Nationalist Revolutionary Movement] and with the MBL [Free Bolivia Movement] to carry out joint action at Congress. The three parties propose the election of the Electoral Court by a two-thirds votes of the whole Congress in keeping with a special procedure. They state that the impeachment hearings of justices "must be resolved through the legal channel." They reaffirm their objective of promoting decentralization "within the strict framework established by the Constitution, preserving unity and national integration."

On 22 December the political situation experienced a new turn after Condepa decided to join the MNR and the MBL.

On the evening of 21 December Condepa, the MNR, and the MBL signed an agreement by which they adopted a

joint position on the conflict of powers, the Electoral Law, the designation of the court members, and decentralization.

In August 1989 Condepa leader Carlos Palanque Aviles advocated the election of President Jaime Paz Zamora at Congress and became an important figure in the government's actions.

After the worsening of the conflict of powers, "godfather" Carlos Palenque proposed on 29 November a political dialogue to resolve the institutional crisis. This dialogue failed because ADN [Nationalist Democratic Action] and MIR [Movement of the Revolutionary Left] members refused to submit the results of the meeting to their leaders.

According to Condepa, MBL, and MNR leaders, the agreement signed on Friday, 21 December, is the result of a series of meetings held between 1 and 20 December in view of the MIR and ADN decision "to postpone the discussion and the eventual signing of an agreement on the progress made during a dialogue among the political parties."

The document states: "Despite this fact, and respecting the political independence of the political parties which signed the agreement, we state that the points on which we have agreed are an achievement of Bolivians who want to live in peace and democracy." This document was released to the people who, through several institutions, urged the political parties to try to solve the institutional crisis. [passage omitted]

Groups React to Government's Fuel Price Hike

PY0401181091

[Editorial Report] La Paz Radio Fides Network in Spanish at 1100 GMT on 4 January carries six minutes of reportage on communiques issued by the education and transport sectors in response to the government's 3 January increase in fuel prices.

In a three-minute item, the radio station reports that the Bolivian Confederation of Urban Teachers, on behalf of Bolivian teachers, has issued a communique on the increase in fuel prices. The communique "strongly criticizes" the "tremendous irresponsibility" of the government, which has ordered an exaggerated fuel price increase while workers' salaries remain frozen. The communique also notes that this "unpopular" measure reflects the financial disorder that characterizes the government's neoliberal policy, which seeks to unload onto Bolivians' backs its failures and inefficiency in handling the country's economy. In the communique, the confederation rejects this financial policy, which implicitly reduces the purchasing power of salaries, and adds that the Bolivian people are aware that this unpopular measure will cause hunger and undernourishment among our children and more shortages in our homes. The communique states further that the education sector warns that the Patriotic Accord, which is an instrument of the oligarchy, will be responsible for the social disorder that is approaching. In conclusion, the communique states: "We urge the COB [Bolivian Labor Federation] and other union, social, political, and civic organizations to adopt measures in defense of the people's economy, and to coordinate the actions of the democratic, revolutionary, anti-oligarchic, and anti-imperialist forces to confront the abusive attitudes that the people so often have to endure."

In another three-minute item, the radio station reports that the Trade Union Confederation of Bolivian Bus Drivers has also issued a communique rejecting the "antipopular" fuel price increase ordered by the government. In view of this unpopular measure, according to the communique, the confederation voices its support for the people's economy since this increase will in turn cause an "immediate increase" in the prices of basic foodstuffs and other essential services. The communique also states that the confederation wants to point out that the increase in tariffs and freight costs in the transport sector will be the "exclusive responsibility of the government," which again seeks to pressure drivers with passengers and the people as a whole. The communique notes that as a result of this "unjust and inopportune" measure, the confederation decrees, as a first measure, a 24-hour strike beginning at 0000 on 4 Friday, and it urges transport federations and organizations to observe this measure with discipline.

Information Ministry Restored; New Minister Named

PY0501025691 La Paz Radio Fides Network in Spanish 2300 GMT 4 Jan 91

[Text] The Information Ministry has been reactivated and Mario Rueda Pena has been appointed information minister.

Brazil

2.7-Percent Drop in Industrial Activity Reported

PY0401131491 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 4 Jan 91

[Summary] The IBGE [Brazilian Institute of Geography and Statistics] has reported in Rio de Janeiro that industrial activity dropped 2.7 percent from October to November; it dropped 9.4 percent during the same period in 1989.

National Treasury Records Surplus for 1990

PY0401142891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 4 Jan 91

[Summary] The National Treasury recorded a surplus of 128.665 billion cruzeiros in 1990. Revenues increased 13 percent and expenditures dropped 35 percent.

Prices of 200 Medicines Temporarily Frozen

PY0501124291 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 5 Jan 91

[Text] The government has frozen the price of 200 medicines for the next 45 days. The price control affects medicines used in the treatment of heart problems, AIDS, cancer, and diabetes.

The government has also ordered that pharmaceutical companies will have to explain the motive for abusive price increases during the last two weeks of December to the Justice Ministry's National Economic Rights Secretariat. In some cases the price readjustments were more than 1,000 percent.

* Second Round Seen as Anti-Collor Plebiscite

91SM0129A Sao Paulo ISTOE SENHOR in Portuguese 28 Nov 90 pp 44-48

[Text] President Fernando Collor de Mello was the biggest loser in the second round of balloting in the state elections held in 15 Brazilian states. All his candidates without exception lost in the waves of growing unpopularity being experienced by the administration—an unpopularity caused, basically, by the return of inflation even in a period of tight salaries. Paulo Salim Maluf ran aground in Sao Paulo, as he himself had foreseen in a fit of sudden humility during one of his recent free programs. Malufism ran aground for the fifth consecutive time in the past five years, even though this time it won its biggest vote ever: 40.5 percent in the state and 46.5 percent just in the city of Sao Paulo.

Leopoldo Rejected

Maluf gained ground in the last week of public opinion polls thanks to careful exploitation of the debate that did not take place with his opponent Luis Antonio Fleury on Sunday the 18th. Showing more obstinacy than he ever had before, Maluf used every ploy in his repertory and even came up with a few brand-new tricks: in his last appearances on television, he went the emotional route, shedding tears and practically begging for Sao Paulo's votes. It did no good: he sank into the depths of the sea of the defeated, taking with him the president's brother Leopoldo—one of the most active of his ward heelers who, on the Sunday of the election, had spent most of the day at Maluf's home.

In Rio Grande do Sul, Collor had already given up on Nelson Marchezan some time earlier: from the very start of the second round, the polls had shown Marchezan to be 20 points behind the PDT [Democratic Workers Party] candidate, Alceu Collares. The votes on the 25th confirmed those polls—and also demonstrated to Collor once again that opposition leader Leonel Brizola really is indestructible in the two states forming his power base: Rio Grande do Sul and Rio de Janeiro. Senator Jose Ignacio in Espirito Santo was also considered a lost cause by Planalto Palace's organizers themselves. His inevitable defeat by outsider Albuino Azeredo of the PDT had become apparent at the start of the second round, when Albuino, like Collares in the South, achieved a 20-point lead. Jose Ignacio fought to the end, but succeeded only in drawing more attention to the unknown opponent's victory over a politician who, before becoming a candidate, had been government leader in the Senate.

But the worst defeat from Collor's standpoint, and therefore the one that irritated him most, occurred in Parana, where the front-runner in the polls, Jose Carlos Martinez, fell far behind in the final two weeks. His defeat by PMDB [Brazilian Democratic Movement Party] candidate Roberto Requiao dealt a mortal blow to Planalto Palace's plans to emerge from these elections with a strong political setup based on the big states. Collor already did not have Rio de Janeiro, he lost his gamble on Maluf in Sao Paulo, he did not advance by a single inch in Brizola's fief in Rio Grande do Sul, and, to top it all off, he had to swallow the bitter pill of Requiao's surprising rise in Parana. Martinez had been marked all through the campaign as Brazil's most "Collorized" candidate—with the result that his defeat also served as a symbol of the overall election results. He visited Brasilia three times and was received by Collor himself on two of those visits. He also had the support of conspicuous government ministers such as Antonio Cabrera (Agriculture), Alceni Guerra (Health), and Margarida Procopio (Social Action).

'Global' Puppet

On the chessboard of state gubernatorial elections, Collor was also unable to take comfort in Helio Garcia's victory in Minas Gerais. Garcia easily took the lead in the race from the start and spent most of the campaign fearing nothing from his opponents. In the end, he was almost flattened by the former "global," Helio Costa, who won support from the "Collorized" ministers. Garcia is not vengeful, but in Brasilia, some of his organizers were predicting that morning that his majority bloc in Congress—36 out of 53 members—would now be placed in the service of a possible ally in the future game of presidential succession. That ally, they added, "will be either Quercia or Brizola." As for Collor, he can stick with his "puppet, Helio Costa."

The effects of the election on the makeup of Congress are also of no help at all in the president of the republic's political game. In the new makeup of forces produced by the election results, Collor will have to face from the start a strong bloc of 128 congressmen who are resolutely opposed to his administration. They are Leonel Brizola's 47 PDT congressmen and Lula's 36 PT [Workers Party] congressmen, who have now been added to at least 45 others who are clearly identified as followers of the current governor of Sao Paulo, Orestes Quercia. Quercia elected Fleury to be his successor, and his fellow party members believe that he is going to position himself on the opposite side of the "Collorized" ship. Moreover, Collor will also have to talk to former President Jose Sarney, who was previously being called the chief culprit by his moralizing administration. Sarney elected strong

blocs in Maranhao and Amapa and also has definite influence in several other states, where deputies who still owe him old favors were reelected.

Even in Bahia, a territory dominated by the new governor-elect, Antonio Carlos Magalhaes, Collor will probably not have an easy life. Magalhaes usually charges a lot for his political support. He may become reconciled with the administration, but for that to happen, Collor will have to offer him convincing benefits. There are, however, other possibilities concerning Antonio Carlos that are receiving considerable comment in Brasilia. Some of his close associates say that he may always be attracted by the leadership of former President Jose Sarney, under whom he once served as minister and with whom he is on good terms. But the possibility that Magalhaes will become reconciled with Sao Paulo Governor Orestes Quercia must also not be ruled out. Especially since Quercia is emerging from the election as the strongest candidate to succeed Collor—and Magalhaes has always shown himself to be very sensitive, shall we say, to the arguments of those closest to the center of power.

Because of all that, the funereal atmosphere at Dinda House, the president's residence in Brasilia, on the evening of Sunday the 25th was not surprising. There Collor and his closest aides kept tabs on the election and showed growing displeasure as the antiadministration results were confirmed in the polls and the first ballot counts. In the evening, the president canceled his plans to see a movie at the Granja do Torto, where he was to have seen Frank Oz's film "Dirty Rotten Scoundrels" with Steve Martin. As it turned out, First Lady Rosane Collor attended the movie alone. Understandably, everybody avoided making statements both that evening and on Monday the 26th. Although one political minister confessed to ISTOE SENHOR without mincing words: "It was a defeat. This is going to force the administration to negotiate." There were those who recalled that two days earlier, Collor had still been completely certain of victories that did not come—those of Maluf and Martinez. What is certain is that on Thursday the 22d, the new government leader in the Chamber of Deputies, Arnaldo Faria de Sa, was making no secret of Collor's faith in Maluf: "The president is rooting for Maluf in Sao Paulo and feels that he is going to win," he said. After the defeats announced on the night of the 25th, Marcos Antonio Coimbra, owner of the Vox Populi Institute and son of the chief of the Civilian Household, Marcos Coimbra, said: "The picture is very bad from the president's standpoint. With a possible victory by Fleury in Sao Paulo, the unfavorable results that would have influenced national politics will be intensified: their influence will increase two, three, four, or five times."

Quercia's PMDB

Coimbra was right on the mark. Maluf's defeat in Sao Paulo created a new political fact—with profound consequences as far as the power game is concerned. The first consequence is that Orestes Quercia is abandoning state politics to exert decisive influence in Brasilia—both in and out of Congress—on the party lineups that will precede Collor's succession. Quercia has already floated the idea of resurrecting the old MDB [Brazilian Democratic Movement]. Based on the current PMDB, it would be given new political banners and completely reorganized. His proposal clearly comes across as a command from someone qualified to preside over that restructured and strengthened party. Since his administration will be leaving office this coming March, Quercia will naturally run for chairman of the PMDB—and that will be the base of support for his candidacy for president of the republic, which now appears to be a very real possibility. The PMDB's current chairman, Ulysses Guimaraes, has scheduled the party's national convention for this coming 8 March, when Quercia will still be in Sao Paulo winding up his administration. But even from a distance, he will be able to run for chairman of the PMDB thanks to an amendment to the party's current bylaws that has already been approved in talks with Ulysses.

As it happens, Fleury's victory will be Quercia's most valuable ante. Quercia started out with a very difficult situation: the PMDB was demoralized by the presidential campaign of 1989, when its candidate, Ulysses Guimaraes, was massacred in his own state, Sao Paulo. Quercia chose candidate Fleury and, at the start of the campaign, had to back his name within the party itself (see separate article [not included]). Fleury made progress, lasted into the second round, and gave the impression that he was going to win, but in the last week of the campaign, those hopes came under attack within Quercia's headquarters itself. The debate that did not take place on Sunday the 18th ended up taking valuable points away from Fleury right in the final stretch of the campaign. And Maluf's change of style on the free program also put quite a scare into Quercia's and Fleury's campaign forces. The voters were apparently being moved by Maluf's emotional appeals.

Both Fleury and Quercia flatly denied the story spread by Maluf to the effect that the debate had been canceled because of a "plot" hatched by the Quercia forces and accepted by the Record and Globo networks, which were the first to leave the pool of stations trying to organize the confrontation between the two candidates. Maluf relied mainly on news reports in the print media—chiefly the newspapers FOLHA DE SAO PAULO and O ESTADO DE SAO PAULO—to sell voters on the idea that he was correct in his accusation. On Wednesday the 21st, Fleury admitted that he was losing votes because of what Maluf called the "WO effect" [meaning unknown]. But he persisted in his explanation that the meeting had not taken place simply because of a decision by the broadcasters: Globo wanted the meeting to take place during the free hour, but that was not acceptable to the Record Network or the Governor's Office. At the Governor's Office, meantime, no one doubted Quercia's sincerity in deploring the lack of a debate. In fact, from the governor's standpoint, it would have been better for

Fleury to lose in a direct confrontation with Maluf than for him to be accused of losing the election because he arranged the cancellation.

In any case, it is a fact that on the evening of the 24th, Saturday, Maluf was convinced that victory was his. A poll by the IBOPE [Brazilian Public Opinion and Statistics Institute] gave him a two-point lead. By adding those two points to the four conferred on him by Vox Populi on Saturday the 24th, Maluf and his chief advisers reached the conclusion that the election was theirs. They then drank a toast to victory at Maluf's home. With champagne. Even a DataFolha poll, which gave Fleury a three-point lead on that same day, did not diminish the optimism felt by Maluf's supporters. As adviser Ney Figueiredo, head of marketing for the Maluf campaign, explained it, "Fleury is tending downward even in the DataFolha poll, and in the others he has already dropped, while Maluf is up. There is no way the figures can be doubted," was Figueiredo's triumphant conclusion.

Paradoxically, the main reason why Quercia's supporters were still confident of victory was that very same IBOPE poll. It was a matter of points of view. From the start, Quercia and Fleury had believed quite strongly that the "useful vote" would be helpful against Maluf. If the IBOPE poll was now giving Maluf the lead, that could only sharpen the famous feeling of rejection concerning Maluf that had been fatal once before: when Luiza Erundina was elected mayor of Sao Paulo in 1988.

Erundina's Help

In the final days of the election vigil, the thing that most worried the organizers of the victorious candidate's campaign was, as they described it later, "the size of the hole" left by cancellation of the debate. Fleury was apparently losing ground every day. The useful vote did its work at the right moment. The secretary of government, Claudio Alvarenga—who is also Fleury's close friend and followed him as chairman of the Sao Paulo Association of Public Prosecutors—is among those who support that analysis. The word behind the scenes at the Governor's Palace is that one of the leading PT figures who most contributed to the useful vote was the mayor of Sao Paulo, Luiza Erundina. She visited the Governor's Palace twice during the week before the election as a guest at formal ceremonies—and always spoke to Fleury's organizers in a very friendly manner.

With Fleury's victory added to other results in this election, Quercia's political strength has entered the ascendant. Not only because of the bloc in Congress under his influence, but especially because several of those elected are clearly politicians with whom he is on good terms. In Goias, for example, the new governor, Iris Rezende, is probably one of the top men in Quercia's plans for becoming president. And Ivandro Cunha Lima, who defeated Wilson Braga in Paraiba, is a PMDB member who gets along well with Quercia. In Para, Jader Barbalho's race with Said Xerfan was a photo finish, but Barbalho was declared the winner on Monday the 26th. As everyone knows, he is one of the most active Quercia supporters around. To them Quercia will now have to add his strengthened Sao Paulo ante and a universe of possibilities for talks in several states. In Rio Grande do Sul, for example, his close ties with the leader of the local PMDB, Senator Pedro Simon, are well known. In Rio Grande do Norte, Quercia can rely on the always influential Alves family. And in Tocantins, he can rely on Moises Avelino, who is touted as the probable winner of that election with 49 percent of the vote.

With Requiao in Parana and Helio Garcia in Minas Gerais, Quercia's moves are going to be a tad more complicated, but not at all impossible. Requiao wants to play his own succession game—but it is more probable that he only wants to mark out a position and get some compensation when the spoils of power are divided up later on (the nomination for vice president, for example). Helio Garcia in Minas Gerais has an older and more solid claim as candidate for president. But it is difficult to see how he could make room for himself in that race—he is on the outs with Collor, and Quercia won in Sao Paulo with Fleury. The upshot is that in order to play a prominent role in the succession, Garcia is going to have to talk to Quercia.

Incidentally, the election did not open up new possibilities for any other figures in national politics. Antonio Carlos Magalhaes' PFL [Liberal Front Party], for example, won only in Piaui, where its candidate, Freitas Neto, benefited from the incompetence of the current governor, Alberto Silva—who has not paid state employees for months and who has put the state into debt in recent months—to defeat the latter's choice, Wall Ferraz. In Maranhao, the PFL was still in the running on Monday the 26th, since Edison Lobao was neck to neck with Joao Castello of the PRN [National Reconstruction Party]. But the result is not going to alter the national picture in any case. And within the PFL, Antonio Carlos Magalhaes will still have to compete with the new governor of Pernambuco, Joaquim Francisco, for national leadership of the party.

If the figures reported on Monday are correct, President Collor will have only one victory—that by Jose Agripino Maia in Rio Grande do Norte—although he is still rooting for Castello to win in Maranhao. That is a small ante for such a big game. For that very reason, the government leaders in Congress were already admitting on the morning of the 26th that all the president can do now is acknowledge that he "can no longer think about governing alone." The alternative—which they all recommend—would be to put all his chips on the tottering "social pact" that has been dragging on for months with no concrete results. Some politicians, headed by the minister of justice, Senator Jarbas Passarinho, are suggesting to Collor that the administration should now offer specific alternatives to workers and businessmen to strengthen itself outside Congress and then reap the benefits of that strengthening in Congress itself.

The election figures also showed once again that some polling institutes specialize in supplying false percentages to unwary candidates. The IBOPE, for example, got into an arm-wrestling contest with DataFolha at the start of the week preceding the election and came out of that battle with its credibility singed. In fact, whereas DataFolha gave a nine-point lead to Fleury, the IBOPE was announcing that he and Maluf were neck to neck even before the debate scheduled for the 18th. When Fleury's popularity fell markedly following the cancellation of that debate, DataFolha recorded his drop to a six-point lead on Wednesday the 21st and finally gave him a three-point advantage over Maluf on the eve of the election (the 24th)—a prediction that turned out to be quite close to reality. Meanwhile, the IBOPE, which had already knocked Fleury off his pedestal before he actually fell, kept skidding about with its predictions throughout the week: it gave Maluf three points and finally two points on the eve of the election—not much as a measurement of how far Fleury fell during the week. Some people said the IBOPE could not report Fleury's real drop because at the time, it was already correcting its figures from the start of the week so as not to be too far distant from electoral reality. In other words, when the IBOPE claimed that Maluf was neck to neck with Fleury, it was forcing the figures in favor of the PDS [Social Democratic Party] candidate.

Rude Maluf

Let it be said that the Globo Network seemed not to trust the IBOPE poll's figures showing that Maluf was neck to neck with Fleury on Tuesday the 20th—although the pollsters had collected their forms before the cancellation of the debate on the 18th was announced. Globo was so suspicious that on Tuesday evening, its "National News" program did not give the IBOPE report the usual prominence. Possibly also contributing to that decision was an unpleasant conversation on Sunday the 18th between candidate Maluf and the station's chairman, Roberto Marinho. Maluf telephoned Marinho first thing that Sunday morning to insist that Globo hold the debate somehow or other. People who heard the telephone conversation said later that at one point, Roberto Marinho told Maluf: "You are being very rude to me. That's why you don't win elections."

Chile

Foreign Minister Concerned Over Oil Shortage

PY0401173391 Santiago Radio Chilena Network in Spanish 1600 GMT 4 Jan 91

[Relay from Foreign Ministry by Antonio Cofre]

[Excerpt] Foreign Minister Enrique Silva Cimma has stated that all the foreign ministries of the world are worried about the Persian Gulf crisis. He added that Chile is especially anxious about a possible shortage of refined oil if war does break out. In view of this, Minister Silva Cimma said that talks are being held with the foreign ministries of all the oil producing countries.

Silva Cimma said that the primary Chilean concern is the outcome of the Persian Gulf crisis, which he said is unpredictable. Silva Cimma said that no foreign ministry can say for sure whether there will be a war.

Minister Silva Cimma said that the policy of the Chilean Foreign Ministry is that of peace.

[Begin Silva Cimma recording] We hope, and the entire policy of the Chilean Foreign Ministry, that peace will prevail. We believe that the latest UN Security Council resolution essentially seeks to solve the Gulf crisis through peaceful means. We cannot express an opinion because it would be mere speculation, but we can say for sure that every possible effort is being made to find an essentially peaceful solution. We vehemently hope, as a peace-loving nation, that this will be the case. [end recording] [passage omitted]

Seminar Examines Terrorism's Toll, Prospects

PY0501024491 Madrid EFE in Spanish 1615 GMT 5 Jan 91

[Text] Santiago, 5 Jan (EFE)—A government official today reported that 14 people died and 185 bombs exploded in 386 terrorist attacks in Chile since 11 March 1990 when Patricio Aylwin assumed power after more than 16 years of military rule.

The death toll includes five Carabineros (militarized police), four Gendarmerie members (prison guards), four civilians, and a noncommissioned Army officer, which raises the terrorism death toll to 243 people since 1976, said Jorge Olave, member of the government's General Secretariat.

Olave revealed these figures during a seminar on "actions, objectives, and strategies of insurrectional organizations in Chile" organized by the Development Studies Center (CED).

Terrorist groups have considerably decreased their attacks on property since the democratic administration came to power, and the value of stolen goods amounts to 68.5 million pesos ($200,000), a sum much smaller than that obtained through common theft, Olave said.

In 1990 terrorist attacks were committed mainly by ultraleftist groups: the autonomous Manuel Rodriguez Patriotic Front (FPMR) and the Lautaro Youth Movement (MJL). These groups accuse President Patricio Aylwin of continuing General Pinochet's regime.

Lawyer Hugo Fruling said at the seminar that there is no reason to expect that terrorist action would decrease in Chile during the democratic transition.

Citing a 1976-89 statistic, Fruling said that terrorist violence is independent of political events that favor the position of the terrorist groups. As an example he noted

that terrorism increased after General Pinochet's defeat in the plebiscite of October 1988.

He forecast that terrorism will continue because extremist groups do not need many human or material resources or a lot of training.

Army Captain Admits Responsibility in Cutufa Case

PY0401135291 Buenos Aires TELAM in Spanish 1838 GMT 3 Jan 91

[Excerpts] Santiago, 3 Jan (TELAM-ANSA)—Army Captain Gaston Ramos has freely admitted that he is guilty of being "the owner and only brain" behind the illegal, clandestine financial company La Cutufa, which functioned within the Chilean Army and caused a scandal that has affected many officers.

In light of this statement, Judge Marcos Libedinsky immediately ordered the release of General Gustavo Abarzua, former director of the National Information Center (CNI), who had been in custody for three days.

In his testimony to the judge, Abarzua maintained that his participation in the financial company "was limited to the role of investor," which in the judge's opinion "cannot be considered a crime." [passage omitted]

The judge stated that although there are no inconsistencies in the progress of the current investigation, he is still not in a position to assert anything: "There is still a lot to do," Judge Marcos Libedinsky said.

Libedinsky Warned About Media Comments

PY0501023091 Santiago Radio Cooperativa Network in Spanish 2200 GMT 4 Jan 91

[Text] A plenary session of the Supreme Court has decided to send a written admonition to Santiago Appellate Court Judge Marcos Libedinsky, who is an acting judge on the 12th Santiago Criminal Court. Judge Libedinsky is investigating violations of the General Banking Law and the financial fraud allegedly committed by the illegal La Cutufa financial company.

The Supreme Court said comments made by Libedinsky to journalists jeopardized the normal investigation and trial of the case. The court thus ordered Libedinsky to avoid making such comments in the future.

'Discomfort' Over Generals' Arrest

PY0501150891 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 5 Jan 91

[Text] Army Prosecutor General Fernando Torres Silva met with Supreme Court President Luis Maldonado to express the discomfort felt by the Army, its commander, and top chiefs over the latest measure adopted by Judge Marcos Libedinsky, who ordered the arrest of three generals.

Libedinsky is investigating the case of the illegal financial firm La Cutufa. In an exclusive interview with EL MERCURIO newspaper, General Torres Silva said that during his meeting with the Supreme Court president he discussed the arrest of retired Generals Patricio Walda and Patricio Varela and Brigadier General Gustavo Abarzua Rivadeneira, former CNI [National Information Center] director. The generals were arrested on 28 December at 0700 in their homes by order of Judge Libedinsky, who also ordered a search of their houses. Generals Walda and Varela were released on bail that same day, while Gen. Abarzua Rivadeneira was held incommunicado until the evening of 31 December, when he was also released on bail due to a lack of criminal evidence.

Gen. Torres Silva said that although the Army acknowledges Judge Libedinsky's power and jurisdiction in carrying out an investigation, it believes his arrest order did not take into consideration specific legal rules and lacked consideration for the generals, unnecessarily insulting them. He said there are some doubts in military circles in regard to the generals' testimony and the evidence collected by the judge, which should be clarified.

Fake Bombs Planted at Three Newspaper Buildings

PY0401183391 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 4 Jan 91

[Text] Unidentified individuals have planted fake bombs outside three Santiago newspaper buildings. These actions occurred almost simultaneous at the buildings of LA NACION, LA EPOCA, and FORTIN MAPOCHO at approximately 1100 this morning.

A bicycle was left beside each of the bombs at the newspaper buildings. The discovery of the suspicious packages prompted the intervention of the Carabineros, who sealed off each area while GOPE [Special Police Operations Group] personnel checked the fake bombs. Once the investigations were completed, the police allowed vehicles and people to circulate freely.

Colombia

Fuel Prices Increase by 22 Percent 1 Jan

PA0701041991 Bogota EL TIEMPO in Spanish 2 Jan 91 p 1

[Text] The 22-percent increase in fuel prices will mean additional revenues of 192 billion pesos for the state and 122 billion pesos for the Colombian Petroleum Enterprise (Ecopetrol).

As of 1 January 1991 the price of regular gasoline was set at 364 pesos per gallon, super gasoline at 452 pesos, and kerosene and ACPM [expansion unknown] at 365 pesos.

Most of the revenues will be distributed among the National Highway Fund, to be invested in the transportation infrastructure, the sales tax (IVA), the country's

departments, the special district of Bogota, wholesale and retail distributors, and Ecopetrol.

Mines and Energy Minister Luis Fernando Vergara Munarriz said that the price increase, which will not cover the real costs of producing, transporting, and refining petroleum, will still help to prevent inflation from surpassing the 22-percent mark in 1991.

Foreign Minister Unhappy With Klein Sentence

PA0501011891 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 Jan 91

[Text] The Colombian Government, through Foreign Minister Luis Fernando Jaramillo Correa, has referred to the sentence imposed on Israeli Colonel Ya'ir Klein in Israel. The retired officer was implicated in the training of the paramilitary groups of the self-defense organizations and the smuggling of weapons for drug traffickers in Colombia. Klein was given a one-year suspended sentence and fined $40,000.

In Cartagena today, Foreign Minister Jaramillo, on behalf of the Colombian Government, raised his voice in protest over the quite benevolent treatment of Col. Klein by the Israeli court, which sentenced him to only two [as heard] years in prison for his activities as mercenary and arms trafficker in Latin America.

[Begin recording] [Jaramillo] We are seeing how the judicial systems of other countries are quite tolerant of actions which flagrantly violate international law and even the laws in those countries. Colombia has maintained the principle that we must not meddle in or voice opinions on what occurs in the judicial systems of other countries, the same as we demand that other countries not meddle in or voice opinions on decisions that Colombia sovereignly adopts with regard to its judicial system. In any case, it is once again disappointing to see how justice operates in the rest of the world.

[Unidentifed reporter] Will the Colombian Government issue a note of protest?

[Jaramillo] No, there cannot be such a note of protest because we would also not accept such a note if there was a trial here which was not satisfactory to another country. [end recording]

Paraguay

$130 Million Used To Stabilize Dollar Market

PY0401225591 Asuncion ULTIMA HORA in Spanish 3 Jan 91 p 12

[Text] Crispiniano Sandoval, chairman of the Paraguayan Central Bank (BCP), has reported that during 1990 the BCP purchased $130 million on the domestic exchange market to maintain a stable dollar exchange rate.

Sandoval reported: "During 1990, the BCP net international reserves increased because of the purchase of these $130 million and transfers from other sources."

The disbursement of credits from the multilateral entities, such as the World Bank, the Fonplata [River Plate Basin Development Fund], etc. provided most of the external sources of currency.

Net currency reserves increased by 63 percent and totalled $526 million in December 1990, compared to $322 million recorded in December 1989.

Including our reserves held at the IMF, our national reserves total $638 million.

Some 24.7 percent of our reserves in dollars resulted from the purchase of currency on the domestic exchange market which, according to Sandoval, allowed us to maintain the stable dollar exchange rate. "If we stop purchasing dollars, the exchange rate will go down and that would negatively affect our economy."

He added that there are no other factors influencing the low dollar rate. Sandoval said: "The market functions on its own, based on the supply and demand principle. There are no other distorting elements."

He also said that the dollar exchange rate remained stable throughout 1990. "The dollar rate remained stable throughout 1990, except for the normal variations caused by supply and demand. From the beginning to the end of the year, the dollar rate oscillated between 1,200 and 1,257 guaranies."

He also commented on the importance of having good dollar reserves "particularly if the country intends to normalize its financial situation abroad."

Congressional Group Denounces Coup in Suriname

PY0501154491 Asuncion ABC COLOR in Spanish 5 Jan 91 p 4

[Excerpt] Congress' Permanent Commission has approved a resolution conveyings its deep concern over the coup d'etat against Suriname's democratic government. It also voices its solidarity with Suriname's people and its hope that the rule of law will soon be restored in this country.

The draft resolution was submitted by Colorado Party Senator Carlos Zayas Vallejos, who is chairman of the Permanent Commission.

Zayas Vallejos and the members of the congressional commission repudiated the military coup and expressed their solidarity with Suriname's people and the ousted president, who came to Asuncion last year to attend the regular session of the OAS. [passage omitted]

Peru

President Fujimori Reshuffles Cabinet Members

PY0701104291 Madrid EFE in English 0658 GMT 07 Jan 91

[Text] Lima, 7 Jan (EFE)—Peruvian President Alberto Fujimori has reshuffled his cabinet, a week after all 13 of his ministers tendered their resignations amid heavy criticism of the government in parliament, officials said Monday.

Under the reshuffle, Fisheries Minister retired Vice Admiral Raul Sanchez Sotomayor is to take over as foreign minister from Luis Marchand who stood down last month after a dispute with Fujimori over foreign policy.

Industrialist Jaime Yoshiyama, who like Fujimori is of Japanese descent, is to replace Eduardo Toledo at the head of the transport and communications ministry, while economist Felix Alberto Canal takes over from Sanchez Sotomayor as fisheries minister.

But Fujimori refused to bow in to opposition pressure to sack Interior Minister Gen. Adolfo Alvarado and Defense Minister Gen. Jorge Torres.

The cabinet changes are to be officially announced Monday, the same day the new ministers are due to be sworn in.

After taking office in July, Fujimori launched a tough economic readjustment program in an effort to come to grips with four-digit inflation, a massive fiscal deficit, and foreign debt of some dlrs 20 billion.

Three New Ministers Named

PY0701131291 Lima RTP Television Network in Spanish 1100 GMT 7 Jan 91

[Text] President Alberto Fujimori has announced the names of the new ministers who will occupy the following posts in the cabinet of Juan Carlos Hurtado Miller.

Economist Felix Canal Torres has been appointed fisheries minister; Vice Admiral Raul Sanchez Sotomayor, retired, is the new foreign minister; and Engineer Jaime Yoshiyama is the new transport and communications minister. The new fisheries minister has been president of the National Institute of Cooperatives and the new transport and communications minister has been president of Electrolima [Lima Power company].

Government Publishes, Notes Objections to Budget

PY0501134491 Lima EL COMERCIO in Spanish 1 Jan 91 p 1

[Excerpts] Yesterday the executive branch promulgated and, in an unprecedented move, published the 1991 General Budget Law in the official newspaper EL PERUANO, noting objections to 15 of its 313 articles, one complementary provision, and four final provisions.

The 1991 central government budget totals 2,875,144,646,000,000 [2,875 billiones 144,646 millones] intis.

The executive branch's decision to object to portions of the budget law, which was approved by a consensus in Congress, and to promulgate it in parts immediately prompted Congress and Senate President Maximo San Roman Caceres to announce a seven-day special congressional session that will begin on 8 or 10 January.

The only topic on the agenda of the special congressional session, as determined in an emergency "spokesmen's meeting" held at the Senate president's residence, will be a review of the budget articles that the executive branch finds objectionable. Council of Ministers President Juan Carlos Hurtado Miller believes that the articles that generate higher expenses will throw the budget out of balance. [passage omitted]

The promulgated budget law establishes severe austerity, moralization, and control over public expenditures, and sets drastic sanctions for offenders.

New personnel appointments and any renewal of personal contracts are banned, as are salary increases in any form or fashion, eliminating indexation increases.

Procedures are also established to obviate the need for public bidding, price contests, and merit competitions. [sentence as published] The National System of Compensation and Social Development is created to help the population's most-needy classes.

National, Foreign Reserve Requirements Reduced

PY0501172091 Lima EL COMERCIO in Spanish 30 Dec 90 p A 1

[Text] On the evening of 28 December, the Central Reserve Bank [BCR] Executive Board decided to increase the monetary base by reducing the required national and foreign currency reserves for banks from 40 to 30 percent, as well as reducing the interest rate for reserves from 5.5 percent to five percent.

The BCR will also intervene in the exchange market by again purchasing dollars from banks at a rate of $1 million per day, according to circumstances.

These measures are connected with others adopted a month ago to allow early payments in dollars for the import of capital goods.

During an Executive Board meeting, which began at 1000 and ended at 2030, BCR President Jorge Chavez Alvarez gave an extensive report on the state of negotiations with the IMF on the economic reference program and on the agreement on the general policy strategy.

During the session, the BCR vice president was elected. Hector Florez Sanchez, from the APRA [American Revolutionary Popular Alliance] party and one of three Senate representatives in the BCR, was elected.

Flores received votes from Martha Rodriguez (independent and executive branch representative), Julio Velarde Florez (PPC) [Popular Christian Party], and Ricardo Raygada (Change 90).

It was learned that Chavez Alvarez voted for Martha Rodriguez. It was not known for whom BCR Directors German Suarez and Esteban Hnylizca voted.

The decision to reduce the required reserves for banks and financial institutions was made as a result of a money shortage in the financial system due to the suspension of money issuance in the past few months.

This decision will allow the banks to use more money because of a smaller reserve.

Members of 'Important Terrorist Cells' Arrested

PY0501140891 Lima RTP Television Network in Spanish 0100 GMT 5 Jan 91

[Text] Adolfo Cuba y Escobedo, National Police general director, has confirmed the arrest of members of important terrorist cells in Ica, Huaraz, and Huancayo. He also announced that the police officers who were responsible for the death of four people during the eviction of people in (Arte Vitarte) will be punished.

[Begin recording] [Cuba] We have found proof that subversive elements were involved in the occupation. They encouraged the people to violently resist the police, who were forced to use their weapons.

[Unidentified reporter] Apparently the police officers went too far in their actions. Are they going to be punished?

[Cuba] They will be punished if their actions are proved.

[Reporter] What can you tell us about the possible dismissal of General (Vinatera) as a result of this incident?

[Cuba] The police legally took part in this action. We are analyzing the use of weapons by police officers and they will be punished if their actions are proved.

[Reporter] Can you confirm the arrest of members of terrorist cells in the country's interior?

[Cuba] Yes, they have been arrested in Huancayo, Huaraz, and Ica.

[Reporter] General, what can you tell us about two police officers who were arrested at Tocache airport and a small airplane that took off?

[Cuba] This incident has been made public. The police conducted an operation in the area of Uchiza and Tocache, where over half a ton of cocaine paste was seized. The drug was placed at the disposal of the appropriate authorities, who are preparing a report on the case. The police also seized a small plane that managed to escape due to negligence when it was taken from Uchiza to the Santa Lucia air base. This incident is being investigated. [end recording]

Political Violence Claims 13 Lives in 24 Hours

PY0401185191 Madrid EFE in Spanish 1545 GMT 4 Jan 91

[Text] Lima, 4 Jan (EFE)—Several news media today reported that political violence has claimed 13 lives during the past 24 hours in Peru.

The dead bodies of two men and one woman, who had been abducted by hooded men 20 days ago, were found yesterday in Nahuimpuquio, 18 km from Huancayo, the capital of Junin department, 415 km southwest of Lima (in the central Peruvian mountain range). Their bodies showed evidence of torture.

The bodies of a man and a woman were found in Cullhuas, 25 km from Huancayo.

A group of alleged subversives took over the small town of Villa Capiri last night, in the jungle area in Junin, and publicly executed three members of the civilian "peasant patrol" groups, which are poorly armed groups that fight the Maoist Shining Path terrorists.

In the mining city of La Oroya, also in Junin department, a young man was killed in his house by alleged Shining Path members, who apparently expected him to deliver explosives to them.

In Cuyumba, in the northern jungle department of Huanuco, some 80 Shining Path members attacked a police post. The 20 policemen stationed there resisted the attack until reinforcements arrived and forced the subversives to flee. One of the subversives was reported to have been killed in the attack.

A marine was murdered yesterday in Tingo Maria, an important city in Huanuco department.

Alleged Shining Path members yesterday murdered two men in Pisco, south of Lima. According to press reports, the men were charged with being common criminals.

Alleged Shining Path Members Kill 6 Policemen

PY0501125091 Madrid EFE in English 0447 GMT 5 Jan 91

[Text] Lima, 4 Jan (EFE)—Suspected Maoist rebels Friday [4 January] killed six Peruvian policemen when their vehicle was ambushed on a mountain road 200 km northeast of the capital, a police spokesman said. The attackers, who were believed to be members of the Shining Path guerrilla group, hurled explosive charges at a vehicle transporting some 30 policemen to the coastal town of Huacho, and then opened fire, killing six of its occupants.

Also Friday, a Peruvian Senate committee reported that 3,600 people died as a result of political violence during 1990, an increase of 500 from the previous year. Since Shining Path took up arms in 1980, an estimated 20,000 Peruvians have died in the violence which has led succesive governments to impose a state of emergency limiting constitutional rights for over half the country's 22 million inhabitants.

Government To Reorganize Aviation Corporation

PY0401144091 Lima RTP Television Network in Spanish 1100 GMT 4 Jan 91

[Excerpts] Transportation and Communications Minister Eduardo Toledo has announced that the Peruvian Corporation for Airports and Commercial Aviation, Corpac, will be reorganized. According to a decree published today in the official gazette, EL PERUANO, a 60-day state of emergency has been declared for Corpac.

[Begin recording] [passage omitted] [Unidentified reporter] What is the objective of the reorganization?

[Toledo] The objective is to make Corpac perform as efficiently as it should, and to establish the appropriate organization and personnel qualifications needed by this enterprise, which is so important for our country.

[Reporter] Will there be personnel reassignments?

[Toledo] Personnel functions (?will be reorganized) and the right number of employees will be assigned to each function. [end recording]

New Youth Newspaper Claims Largest Circulation

PY0401141091 Lima RTP Television Network in Spanish 1100 GMT 4 Jan 91

[Summary] Augusto Bresciani, director of the nine-month old daily ONDA [Wave], has said that his paper has a circulation of 100,000, and that 40 percent of this figure corresponds to circulation in rural areas. The newspaper is dedicated to young people. Bresciani claimed that ONDA has the largest circulation of any newspaper in Peru.

Cuban Friendship Group Holds Solidarity Meeting

FL0501190691 Havana Tele Rebelde and Cuba Visions Network in Spanish 1800 GMT 5 Jan 91

[Text] In a beautiful and spontaneous gesture of solidarity with Cuba, hundreds of Peruvians crowded into the Salazar Biondi Theater in Lima, where they demanded an end to the U.S. Government's economic embargo against Cuba. The event, organized by the Cuban-Peruvian Jose Marti Friendship Association, brought together representatives of the Peruvian left, independent sectors, many intellectuals, and university students. On many occasions they made the room echo with slogans such as "Cuba, listen, your struggle is our struggle" and the now traditional "Fatherland or death, socialism or death." The main speaker was Association President Dr. Jorge Campos Rey de Castro, who gave a deeply felt and impassioned speech of support for the Cuban revolution on its 32d anniversary.

Venezuela

Interior Ministry Denies Soviet Espionage

PA0501035491 Paris AFP in Spanish 0320 GMT 5 Jan 91

[Text] Caracas, 3 Jan (AFP)—The Interior Ministry today denied alleged Soviet espionage of the Venezuelan air defense systems. It also denied that the political police (DISIP) [Directorate of Intellegence and Prevention Services] has carried out investigations in this regard.

In a communique, the Interior Ministry stated that "the reports are groundless" and that "the DISIP has not carried out any investigation that established that the mentioned Soviet citizen [the Aeroflot manager] has been involved in espionage activity" in Venezuela.

It also indicated that the DISIP director has been instructed to investigate "whether one of its officials is responsible for the false information and if so, to dismiss him."

The Venezuelan press, including the official Venpres news agency, reported on 2 January that the DISIP identified Aleksandr Chilov, the Aeroflot airline manager in Caracas, as a spy. Chilov traveled to Moscow at the end of December after he was involved in a traffic accident.

The Soviet Embassy on 3 January implicitly denied the reports, indicating that they contained "clearly groundless insinuations."

Police Chiefs Report Drug Seizures for 1990

PA0501042591 Caracas EL UNIVERSAL in Spanish 26 Dec 90 p D-11

[Sandra Guerrero report]

[Text] Carlos Ramirez Gutierrez and Nerio Rengifo, the chief of Anti-Drug Division and the chief of the Drug Investigations Division of the Judicial Technical Police's [PTJ], respectively, have issued a report that reveals that 1,500 kg of drugs, including cocaine, bazuco, crack, and marijuana, were seized during 1990.

During this period, 100 vehicles, valued at 15 million bolivares, and 50 weapons of different types and calibers, valued at a half million bolivares, were confiscated.

The PTJ also recovered jewels and other objects valued at 4 million bolivares, 9 million bolivares in cash, and goods and property worth 30 million bolivares, and canceled 34 bank accounts that belonged to international drug traffickers.

The PTJ sent 5,926 cases to the courts during 1990 and policemen arrested 7,535 people for allegedly participating in drug-related crimes.

The Anti-Drug Division disbanded 10 bands of international drug traffickers during 1990. Among the bands destroyed were: "The Coca Goldies" [Los Dorados de la Coca], "The Drug Merchants" [Mercaderes de la Droga], "The Coca Specials" [Los Especiales de la Coca], "Europe II" [Europa II], "The Netherlands Connection" [Conexion Neerlandesa], "The Coca Buccaneers" [Los Bucaneros de la Coca], "The New York Connection" [Enlace Neoyorquino], and "The Hispanic Connection" [Conexion Hispana].

Chief Ramirez Gutierrez has stated that the work done by the PTJ during 1990, was accomplished with the help of the National Guard, the DISIP [Directorate of Intelligence and Preventive Services], and the Metropolitan Police Department. He also highlighted the cooperation of officials from several countries that are plagued by drug trafficking.

The police chief added that personnel working in the Anti-Drug and Drug Investigation Divisions are improving technically and professionally, as they have attended an increased number of courses in and outside the country.

Guyana

Government Tables Bill To Prolong Assembly

FL0701135091 Bridgetown CANA in English 1634 GMT 6 Jan 91

[Text] Georgetown, Guyana, 6 Jan (CANA)—Guyana's Attorney-General Keith Massiah has tabled legislation seeking an amendment to the Constitution to extend the life of the present parliament until September 30. The Constitution (Amendment) Bill 1991 was tabled on Friday [4 January] at a four-minute sitting of the National Assembly, whose life was due to expire on February 2, five years after it was convened following the 1985 general elections.

Government has sought the extension to facilitate preparations for general elections, which have been put back mainly by the decision to compile a new voters list based on house-to-house enumeration after numerous complaints were made about the preliminary list on which the poll was to be conducted.

The elections were constitutionally due by May 2, but President Desmond Hoyte said compilation of the new voters list would necessitate the prolongation of parliament initially for two months and the postponement of elections.

Opposition Ends Election Talks With Ruling Party

FL0401191591 Bonaire Trans World Radio in English 1130 GMT 4 Jan 91

[Text] In Guyana, the opposition People's Progressive Party [PPP] has broken off talks with the ruling party on electoral reforms. The PPP is contending that elections cannot be delayed beyond the deadline of 2 May as prescribed by the Constitution.

Newspaper 'Unequivocally Condemns' Suriname Coup

FL0401161291 Bridgetown CANA in English 1537 GMT 4 Jan 91

[Text] Georgetown, Guyana, 4 Jan (CANA)—The independent STABROEK NEWS has condemned the recent military coup in Suriname which toppled the democratically-elected civilian government of President Ramsewak Shankar. The newspaper said that it unequivocally condemns the coup which "strikes at the heart of the electoral democracy."

"Apparently having learnt nothing from its previous coup, which led to brutal killings of civilian opponents, disrupted democratic politics, and put the people of Suriname in a permanent state of fear, the Army has struck again," it commented. The paper said that the Army has usurped a political role even though the coup was bloodless.

"Guyana has a special interest in Suriname since it is our neighbour and has some 40,000 Guyanese living and working there. It has achieved observer status in the Caribbean Community (Caricom), partly through our influence," it added.

According to STABROEK NEWS, the "ritual call" for fresh elections must be treated with scepticism since an election will surely produce a government not dominated by the military. The last election showed that pro-military candidates have no support, it noted.